



Congressional Digest

Washington, D. C.

VOL. II.

DECEMBER, 1922

No. 3

CONTENTS

	PAGE
ANNOUNCEMENTS.....	66
LEADING ISSUES BEFORE THE 67TH CONGRESS.....	67
RECENT CHANGES MADE IN THE SHIP SUBSIDY BILL.....	68
COMMERCE COMMITTEE REPORTS SHIP SUBSIDY BILL.....	69
PRESIDENT HARDING TRANSMITS BUDGET FOR 1924.....	70
CONGRESS PROCEEDS WITH ANNUAL APPROPRIATIONS.....	71
U. S. DEPARTMENTS OF STATE, JUSTICE, COMMERCE AND LABOR.....	72-73
FUNDING THE FOREIGN DEBT.....	74-75
STATUS OF GERMANY'S INDEBTEDNESS.....	76
THE CANCELLATION CONTROVERSY.....	77
SUMMARY OF VIEWS ON CANCELLATION OF INTER-ALLIED DEBTS.....	77-83
PUBLIC HEALTH LEGISLATION.....	84
CONGRESS DAY BY DAY.....	85-87
COMMITTEE ACTION.....	87-89
NOTES ON FOREIGN GOVERNMENTS.....	90-93
GLOSSARY OF FISCAL TERMS.....	94-95

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\$5.00 a Year

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SPECIAL AGRICULTURE NUMBER

Including

An Analysis of President Harding's Recent Recommendations for Relief of Agriculture

A Discussion of Pending Farm Legislation and Activities of Congressional Farm Bloc

Annual Appropriations and Proposed Reorganization of U. S. Department of Agriculture

and

All other regular features.

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PUBLISHED MONTHLY BY THE CONGRESSIONAL DIGEST, INC.

ALICE GRAM, Editor

EDITORIAL OFFICES, MUNSEY BUILDING, WASHINGTON, D. C.

SUBSCRIPTION RATES: FIFTY CENTS A COPY, FIVE DOLLARS A YEAR, POSTPAID IN THE UNITED STATES

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Entered as Second-Class Matter September 26th, 1921, at the Post Office at Washington, D. C. Under the Act of March 3, 1879.

The 67th Congress

Convened April 11, 1921. Will expire March 3, 1923.

FIRST SESSION began April 11, 1921. Recessed August 24, 1921, until September 21, 1921. Adjourned November 23, 1921.

SECOND SESSION began December 5, 1921. Recessed June 30, 1922, until August 15, 1922. Adjourned September 22, 1922.

THIRD SESSION began November 20, 1922. Adjourned December 4, 1922.

FOURTH SESSION began December 4, 1922. Will expire March 3, 1923.

IN THE SENATE

96 members

59 Republicans 37 Democrats

PRESIDING OFFICER

Vice-President Calvin C. Coolidge of Mass., Republican

FLOOR LEADERS

Majority Leader Henry C. Lodge, Mass., Rep. *Minority Leader* Oscar W. Underwood, Ala., Dem.

PARTY WHIPS

Republican
Charles Curtis, Kan.

Democratic
Peter G. Geery, R. I.

IN THE HOUSE

435 Members

300 Republicans 130 Democrats
1 Socialist 4 Vacancies

PRESIDING OFFICER

Speaker Frederick H. Gillett of Mass., Republican

FLOOR LEADERS

Majority Leader Frank W. Mondell, Wyo., Rep. *Minority Leader* Claude Kitchin, N. C., Dem.

PARTY WHIPS

Republican
Harold Knutson, Minn.

Democratic
William A. Oldfield, Ark.

THE CONGRESSIONAL DIGEST

Vol. II

DECEMBER, 1922

No. 3

Leading Issues Before The 67th Congress

FOR the first time in history a U. S. Congress entered upon a fourth session when the 67th Congress began its final session on Dec. 4. On March 3, 1923, the Congress and all legislation pending on that date will expire.

A second unprecedented achievement in the history of Congress is the record established this year in disposing of the regular annual appropriations. Never before have so many of these bulky measures been passed in so brief a period. At the close of the second week of the fourth session, three of the eleven appropriation bills had passed both houses and the House Committee on Appropriations, where the bills originate, has served notice that the remaining eight bills will reach the House before the middle of January.

The President's Message

As soon as the appropriation bills are out of the way the House will be in a position to proceed with the recommendations outlined in President Harding's far-reaching annual message delivered at a joint session of the House and Senate on December 8. Although there is a keen desire manifest among the majority in Congress to avoid a special session of the 68th Congress, nevertheless, the importance of the President's recommendations for constructive legislation in dealing with the problems confronting the nation cannot be disregarded. A number of the recommendations are embodied in legislation already before Congress, such as H. J. Res. 314, introduced by Mr. Green of Iowa, which provides for a constitutional amendment to restrict the issuance of tax exempt securities. This resolution, which was favorably reported from the House Ways and Means Committee last May, will have immediate attention by the House.

In addition to disposing of the appropriation bills coming over from the House in rapid succession, the Senate is confronted with deciding the fate of the Ship Subsidy bill, dealing with the agricultural relief measures pressing for attention and at the same time clearing up the left-overs from last session.

A dozen or more agricultural relief measures have been introduced in both houses, but initial action is expected in the Senate. On Dec. 15, the Senate Committee on Agriculture reported favorably the Norris bill, S. 4050, which "provides for the purchase and sale of farm products." A determined but unsuccessful effort has been made by the agricultural interests in the Senate to sidetrack the Ship Subsidy bill and substitute the Norris Agricultural bill.

Merchant Marine

The new Ship Subsidy bill, H. R. 12817, which passed the House on November 29, in response to the President's personal appeal of November 21, continues to be the unfinished business of the Senate. The bill was reported favorably from the Senate Committee on Commerce on December 11. (A digest of the bill as it passed the House, including the Senate Committee amendments, is given on page 68 of this number.)

Liberian Loan

The Liberian Loan Act (H. J. Res. 270) which became the unfinished business of the Senate at the special session, was recommitted without instruction on November 27, which means the death of the measure. The resolution provides for a loan of \$5,000,000 to Liberia. It was passed by the House on May 10, 1922, and reported to the Senate on May 31, 1922.

Anti-Lynching

On December 2, by conference agreement, the Senate laid aside the Dyer Anti-Lynching Act, H. R. 13, the Democratic filibuster against the measure making it impossible to bring it to a vote. The Act passed the House on January 20, 1922.

Reclassification of Government Employees

Daily hearings are in progress before a sub-committee of the Senate Committee on Appropriations on the Sterling-Lehlbach Reclassification bill, H. R. 8929, and an effort will be made to report out the measure in time for action this session. The bill passed the House on December 15, 1921.

Reorganization of Government Departments

It is unlikely that the Administration plan for the reorganization of the Executive Departments of the Government will be considered by Congress during the brief congested period of the closing session. The report of the Joint Congressional Committee on Reorganization of the Government Departments, which was presented to the President nearly a year ago, has been subject to the most careful analysis by the President and his cabinet. It is understood that the report is now ready for Congress, but in view of its far-reaching effects and the fact that it has not yet taken the form of a bill, it cannot win a place on the calendar of either house at this Congress.

Recent Changes Made in the Ship Subsidy Bill

Synopsis of Merchant Marine Act of 1922, as Passed by the House of Representatives, November 29, with Amendments Reported by Senate Committee on Commerce, December 11

Title 1 consists of Amendments to the Merchant Marine Act of 1920

SALES.

The amendment broadens the power of the Board to make sales but limits the minimum rate of interest to 4½ per cent; the maximum period of time over which payments are to be distributed to 15 years; and provides that the payments must at all times cover the depreciation of the vessel.

The Leviathan may not be sold for less than the cost of re-conditioning. The sales policy is also amended to emphasize the desirability of maintaining routes from outports and of giving the domestic communities primarily interested the first opportunity for two years to purchase such routes. Domestic communities are defined.

(Senate committee amendment gives the Board wider latitude in the sale of trade routes and ships on them.)

INSURANCE.

Purchasers on the deferred payment plan are required to keep the equity of the United States insured.

CONSTRUCTION LOAN FUND.

The Act of 1920 is amended so that the Construction Loan Fund of \$125,000,000 may be created to be used for the construction of the most efficient types of vessels.

The loan is limited to an amount of two-thirds of the value of the ship constructed or re-equipped and may not be loaned for longer than 15 years nor at less than 4½ per cent interest.

(Senate Committee amendment provides that the construction loan fund shall not be available for the construction of vessels by corporations or individuals primarily for the transportation of their own products.)

MAIL.

The Act of 1920 is amended by withdrawing the power which it gave to the Postmaster General in conjunction with the Chairman of the Shipping Board to make contracts for the carriage of ocean mails. The Ocean Mail Act of 1891 is repealed.

(Senate Committee amendment restores to the Postmaster General the powers given him under the Merchant Marine Act of 1920 and the Ocean Mail Act of 1891, to specify that mails be carried in American vessels wherever possible and that contracts for carrying the mails be not assigned or sublet.)

Title 2 Concerns Taxation

EXEMPTION FROM TAX ON OPERATING PROFIT.

The tax exemption provisions of the Act of 1920 are amended to meet changes in the Revenue Act since 1918. The intent of the amendment is the same as before; that until 1930 profits from ship operation are exempt from tax, provided twice the amount so exempted is invested in new construction.

EXEMPTION FROM TAX ON SALE PROFITS.

This amends the Act of 1920 to meet present conditions. For the taxable years, 1921 to 1930, profits derived from the sale of American vessels launched prior to January 1, 1914, are exempt from tax providing the entire proceeds of the sale are invested in new construction approved by the Board.

(Senate committee amendment strikes all tax exemption provisions from Bill.)

DEPRECIATION.

The Revenue Act of 1921 is amended so that the Shipping Board and not the Treasury makes rules for computing depreciation allowance. It also makes provision for extraordinary depreciation in the case of vessels acquired between August 1, 1914, and January 1, 1921, such deduction to be spread over the five taxable years, 1922 to 1926.

TONNAGE DUTIES.

Tonnage taxes are doubled for all vessels of such size as to make them, if otherwise eligible, recipients of direct aid.

Title 3 Concerns Immigration

This title declares the policy of the United States to be that one-half of our immigrants shall be carried in American bottoms. The President is directed to take such steps as may remove treaty stipulations conflicting with this policy. When no conflict exists, the policy is to be carried out under regulations approved by the Secretary of Labor and Secretary of State.

Title 4 Concerns Direct Aid

MERCHANT MARINE FUND.

A merchant marine fund is created from all tonnage taxes, ten per cent of all customs duties, and the direct aid refunded by owners who have made 10 per cent profit or more in any one year. The Madden Amendment provides that appropriation is to be sought annually for the necessary amount of direct aid.

(Senate Committee amendment provides permanent appropriations to the merchant marine fund instead of annual appropriations (as provided in the Madden Amendment, adopted by the House.)

THE CONTRACT.

Section 403 authorizes the Shipping Board to enter into contracts for the payment of compensation. The contracts may run for ten years, and compensation shall be paid at reasonable intervals, not exceeding six months. The board may refuse for good reasons to enter into a contract on a vote of not less than five members.

DETERMINATION OF AMOUNT OF COMPENSATION.

The amount of compensation is based upon the distance steamed and the rate allowed per hundred nautical miles. The rate depends upon the size and speed of the vessel, in the case of power driven vessels, and upon size alone in the case of sailing craft.

To receive this aid a vessel must be maintained in the highest classification in the American Bureau of Shipping.

Two-thirds of her unlicensed crew must, after three years, be composed of American citizens and the remainder must be eligible for citizenship. This does not extend to the steward's department of passenger vessels.

She must be built in the United States, except that certain vessels built before the enactment of the Act may be admitted to compensation if registered under the American flag within three years and if five members of the Board so vote.

She must be engaged in foreign trade as defined by the bill.

Certain feeder ships, primarily serving the foreign trade of the United States, are also eligible.

Three-fourths of the total fleet, owned, operated or chartered by an owner receiving compensation, must be American.

(Senate committee amendment provides that no increased compensation shall be given without annual appropriation by Congress; that the Shipping Board shall not refuse to enter into a contract for compensation on the ground that a person is not qualified, except after a public hearing is held; that no contract entered into shall extend beyond fifteen years; that the Board shall not enter into any contract under which the annual payment will exceed \$30,000,000; and that the determination of the Board as to the amount of compensation to which any person is entitled shall be subject to review by the General Accounting Office of the Government.)

(Senate committee amendment provides that one-half of the total fleet shall fly the American flag.)

VARIANCE OF RATE.

The Board may vary the rate of compensation set by the bill within limits of one hundred per cent either way upon a vote of not less than five members of the Board.

(Senate committee amendment restores the original provision limiting the subsidy for sailing vessels to those of 1,000 tons and upward, instead of 500 tons and upward, as provided in the House Bill.)

OBLIGATIONS OF COMPENSATED OWNER.

An owner receiving compensation agrees that his vessels may be requisitioned in time of emergency upon a fair pre-emergency value. Sale of the vessel carries this obligation with it to the new owner. All repairs and renewals, other than distress repairs, are to be made in American ports. The owner contracts to re-pay to the Treasury half of the amount by which in any one year his net income exceeds ten per cent on his invested capital until the amount of aid received by him in that year shall have been refunded. Detailed provisions are included for the administration of this section.

Title 5 Pertains to the Army and Navy Transport Service

Section 501 provides that where adequate commercial transportation exists military services may be discontinued by the President. The military departments are authorized to contract up to ten years with commercial organizations for such services.

Title 6 Pertains to Rail and Water Traffic

CREATION OF THE JOINT BOARD.

The creation of a joint board from the Interstate Commerce Commission and the Shipping Board is authorized. Such board is to make recommendations looking to the correlation of rail and water traffic.

EXPORT BILLS OF LADING.

The Shipping Board is to authorize the form of bills of lading for the water borne portion of a through shipment of goods where the Interstate Commerce Commission establishes the form for that portion of the shipment over American railroads.

RAIL OWNED WATER LINES.

This Section amends Paragraph 9 of Section 5 of the Interstate Commerce Act to the end that railroads may own steamship lines where the latter do not come into possible competition with any rail lines.

(Continued on Page 93)

Commerce Committee Reports Ship Subsidy Bill

Pro

Majority Report

We have made a few substantial changes in the bill as it passed the House.

The exemption provisions have been stricken out because, under present circumstances, no substantial results will be attained under them.

The amount of compensation that may be paid in any one year is limited to \$30,000,000. The Shipping Board estimates that when this amount is reached we will have 7,500,000 tons of shipping privately owned and operated under the American flag, carrying over 50 per cent of our commerce.

The provision in the House Bill requiring specific appropriations from the merchant marine fund to be made annually by Congress has been stricken from the bill. This is vital to its success. One main object of the bill is to bring about the purchase by private parties of the ships owned by the Government. This will require capital which must be secured from banks and those who are willing to invest in shipping securities. This can not be borrowed by proposed purchasers and operators of the ships if there is the least uncertainty of the payment of the compensation provided in the bill. By reason of the changing of the political complexion of Congress, and because of the bitter opposition to aid of this kind to shipping, no man would loan his money upon security of this kind, and thus one of the great purposes of the bill would be defeated. The committee does recommend an amendment preventing any money from being paid out of the merchant marine fund to increase the compensation provided in any contract except under a specific appropriation by Congress for such purpose.

We provide that no contracts for compensation shall extend beyond 15 years from the enactment of the law. It will take from 3 to 5 years to get all the good ships of the Government into private hands and so under this limitation a large part of the compensation contracts are not likely to run more than 10 years.

Had we had an intelligent merchant-marine policy prior to the war we should not have been called upon to build overnight a fleet, for we would have had the necessary ships at a tithe of the expense we incurred during the war for their construction.

Further, from the standpoint of salvage alone, it may be stated that whatever amount is realized from the sale of vessels under a program of Government aid will be greater than we can expect otherwise, as few ships can be sold under present conditions.

The statement made by the opposition that we will give the ships away and then pay \$500,000,000 in subsidies is of course erroneous. We are not giving any ships away, but are selling them, as we must, at the same price at which an owner can buy similar ships anywhere. We will not pay in direct aid, assuming that we sell all the Shipping Board vessels presently active, more than eight or nine million dollars to those ships, plus five or six millions to existing privately owned ships. By the outlay of this eight or nine million dollars we will not only realize from the sale of the active ships but we will end the expensive governmental operation which is now costing us \$50,000,000 annually. In other words, we will save \$40,000,000 a year and will cover into the Treasury the proceeds from the sales of these active ships. Whatever else we pay will be conditioned on the creation in American yards of new and desirable vessels.—*Extracts.*

Con

Minority Report

This is a proposal to enact a law adopting a permanent policy of the Government which has been repeatedly proposed heretofore and as often rejected by Congress.

That policy involves launching the Government upon a sea of trouble and enormous expense, in the form of a direct cash contribution from the Treasury to specific private enterprise.

The argument in support of the measure is based upon two proposals.

First. The Government now has a fleet of some 1,400 steel vessels, cargo carriers, and 44 passenger carriers, and their maintenance and operation is costing the Government some \$3,000,000 per month over and above their earnings.

Second. It is essential to the establishment and maintenance of an American merchant marine that these vessels should pass to private ownership speedily and the Government agency or bureau known as the United States Shipping Board should go out of existence.

The first and complete answer to these reasons for the measure is that it will not accomplish either of these things.

The second answer is that by the merchant marine act of 1920 ample provision has been made for the orderly and proper accomplishment of these proposals in so far as they should be accomplished in the public interest.

The third answer is, if the Shipping Board is incompetent or inefficient and can not execute the law or administer the affairs intrusted to it, the remedy does not lie in making an annual draft on the Treasury of from \$53,000,000 to \$75,000,000, but rather by a change of officials or Government agency, or change in the plans and practices which are producing alleged disastrous results.

The proposed measure means simply the establishment of a general subsidy system which will be fastened on the country for an indefinite period.

The bill is based on a temporary situation which happens to be a period of intense depression.

It is a question of cargoes, and payments out of the Treasury will not solve that question. Natural and economic causes for decline in volume of international trade can not be overcome by financial Federal aid, out of the Treasury, to ships.

We can not have cargoes in the absence of foreign trade. Losses will not be eliminated because only a small portion of the tonnage will pass into private hands, as proponents of the bill admit, even if it should become a law, for years to come, and a costly overhead will continue.

In consequence, overhead expenses of the bureau and the losses will simply be supplemented by cash out of the Treasury. The taxes of the people will be increased by the amount of the aid given.

If the Government had no ships would this subsidy be voted?

The Government owning the ships, with full authority under existing law in the Shipping Board to dispose of them on such terms as they may determine, so far from that situation supporting the grounds for the subsidy, it absolutely destroys or removes all basis for the demand.

The claim that there is need for a balancing of the fleet, as an argument for some of the provisions of the measure, is fallacious. We will never get a balanced fleet under this bill.—*Extracts.*

President Harding Transmits Budget for 1924

Transmitted to Congress December 4, 1922

To the CONGRESS OF THE UNITED STATES:

I transmit herewith the Budget of the United States for

the fiscal year ending June 30, 1924, which is summarized in the following statement:

Budget Summary.

[Exclusive of postal revenues and postal expenditures paid from postal revenues.]

	Estimated, 1924.	Estimated, 1923.	Actual, 1922.
Total receipts	\$3,361,812,359	\$3,429,862,959	\$4,109,104,150.94
Total expenditures (including reduction of the public debt required by law to be made from ordinary receipts)	3,180,843,234	3,703,801,671	3,795,302,499.84
Excess of expenditures		273,938,712	
Excess of receipts	180,969,125		313,801,651.10

That we closed the fiscal year 1922 with a surplus of \$313,801,651 instead of an estimated deficit of \$24,468,703 was due in no small measure to the fact that at the beginning of the fiscal year 1922 a system of financial control was established in the executive branch of the Government under the budget system.

As a result of the operations of the first five months of the current fiscal year, a revised estimate of receipts has now been made showing a total of \$3,429,862,959. It is now estimated that the expenditures for the fiscal year 1923 will be \$3,703,801,671. These revised figures indicate an apparent prospective deficit of \$273,938,712. I am hopeful, however, that the conditions on which this estimate is predicated will change for the better in the ensuing months of the fiscal year and that the close of the year will show a balanced account.

In the Budget for the fiscal year ending June 30, 1924, the estimated total ordinary receipts from all sources excluding the Postal Service, will be \$3,361,812,359. This is \$747,291,791 less than the actual receipts for 1922 and \$68,050,600 less than the estimated receipts for 1923.

The estimate of expenditures for the fiscal year 1924 is \$3,180,843,234. This is the amount which it is estimated will be withdrawn from the Treasury during the fiscal year ending June 30, 1924. This estimate of cash withdrawal is to be distinguished from the estimate of appropriations contained in the Budget, since withdrawals during the fiscal year will be made from appropriations heretofore made as well as from appropriations recommended in this Budget.

That we approach the commencement of the fiscal year 1924 with an estimated surplus for that year of \$180,969,125 is certainly most encouraging. While I am hopeful that there will be no deficit in the current fiscal year, 1923, if such a deficit does occur, this surplus for 1924 will give a margin to take care of it.

The estimates of appropriations for 1924, amount to \$3,078,940,331. This is \$195,298,359 less than the appropriations already made for the current fiscal year, 1923.

The burden of taxation caused by the World War has borne heavily upon us all, and it has been the earnest desire of the Government to reduce this burden to the minimum consistent with a proper functioning of the Federal services. We have seen, however, that approximately two-thirds of the taxes collected go to pay certain fixed charges, over the expenditure of which there can be

exercised little or no administrative control. The interest on the public debt, the chief of the fixed charges, must be paid. This will be \$950,000,000 for the fiscal year 1924, constituting nearly one-third of the total expenditures of the Government. Among these are also certain permanent and indefinite appropriations for various purposes, and certain large annual appropriations sanctioned by law and by public opinion.

After deducting these items there is left, as has been shown, approximately only one billion dollars out of which these normal operating expenses of the Government must be paid. It is against this group of expenditures that the retrenchment policy of the Government has been directed.

A reduction in expenditures would undoubtedly result from a reorganization of the departments and establishments upon a more scientific basis, but we can not look to this alone to effect such a material reduction in cost of Government operation as would justify the expression of hope for a considerable lessening of expenditures in the years to come.

There is another rapidly broadening field of Government expenditure. I refer to expenditures which are being made from appropriations for Federal aid in lines of research, improvement, and development which, while having no direct connection with the operations of the business of Government, have grown to become a recognized part of its activities. It is not easy, therefore, to divorce from our minds the fact that considerable of the moneys appropriated for the Government are spent for those things which do not pertain to the normal functions or operations of the business of Government. There is question as to how far the Government should participate in these extraneous activities, and I am frank to say that an answer to the question as to whether we can look forward to any further material reduction in the expenditures of the Government in future years depends largely upon whether or not there will be a curtailment or expansion of these activities, which have already added greatly to the annual drafts upon the Treasury of the United States.

The President has received from Congress during this formative period of the budget system the most hearty cooperation at all times. I must say without fear of exaggeration that we have been during the past two years co-laborers in the greatest reform in our financial history—

Extracts.

THE CONGRESSIONAL DIGEST

Congress Proceeds With Annual Appropriations

Progress Made on Annual Appropriation Bills

4th Session, 67th Congress

These tables will be continued month after month until the work on the bills has been completed.

NO. OF BILL.	TITLE.	REPORTED	PASSED HOUSE.	REPORTED IN SENATE.	PASSED SENATE.	SENT TO CONFERENCE.	CONFERENCE REPORT AGREED TO.	DATE APPROVED.	NO. OF LAW.
H. R. 13180	Treasury Department.	1922. Dec. 6	1922. Dec. 9	1922. Dec. 12	1922. Dec. 12	1922. Dec. 13	1922.	1922.	
H. R. 13232	State and Justice Departments.	Dec. 7	Dec. 12	Dec. 13	Dec. 14	Dec. 15			
H. R. 13316	Commerce and Labor Departments.	Dec. 11	Dec. 13	Dec. 14	Dec. 15	Dec. 16			
H. R. 13374	Navy Department.	Dec. 13							
	Post Office Department.								
	Independent Offices.								
	District of Columbia.								
	Legislative Establishment.								
	Interior Department.								
	Agriculture Department.								
	War Department.								

COMPARATIVE STATEMENT OF THE AMOUNTS APPROPRIATED FOR 1923, THE BUDGET ESTIMATES FOR 1924, THE AMOUNTS RECOMMENDED IN THE BILLS AS INTRODUCED, AND THE SUBSEQUENT AMOUNTS AS PASSED BY THE HOUSE AND SENATE. THESE FIGURES ARE SUBJECT TO CHANGE BY THE CONFERENCE COMMITTEES OF THE SENATE AND HOUSE, AND ARE NOT FINAL UNTIL APPROVED BY THE PRESIDENT.

Title.	No. of Bill.	Appropriations for 1923, in all acts.	Budget estimates for 1924, regular annual.*	Amount recommended in bill for 1924 by House Com.	Amount passed by the House.	Amount recommended by Sen. Com.	Amount passed by Senate.
Treasury Dept.	H. R. 13180	\$118,844,828	\$117,838,768	\$115,119,810	\$115,112,310	\$115,533,410	\$115,538,190
State and Justice Depts.	H. R. 13232	28,676,921	33,703,293	33,188,151	33,185,051	33,471,008	33,448,708
Commerce and Labor Depts.	H. R. 13316	25,703,693	25,891,091	25,779,101	26,079,101	25,979,601	26,346,101
Navy Dept.	H. R. 13374	294,353,473	294,803,975	293,806,538			

*These figures do not include Permanent annual appropriations. Such appropriations are those which occur automatically each year without annual action, having been created by Congress in previous years. They are as follows: \$1,326,151,093 for the Treasury Department, \$106,000 for the State Department, \$28,000 for the Department of Justice, \$3,000 for the Department of Commerce, \$25,000 for the Department of Labor.

United States Department of State*

HON. CHARLES E. HUGHES, SECRETARY OF STATE

CHARLES EVANS HUGHES, was born at Glens Falls, N. Y., April 11, 1862; attended Colgate University 1876-1878; A. B. Brown University 1881, A. M. 1884; LL. B. Columbia University 1884; (LL. D. Brown 1906; Columbia, Knox, and Lafayette 1907; Union and Colgate 1908; George Washington 1909; Williams College, Harvard, and University of Pennsylvania 1910; Yale University 1915); admitted to New York bar 1884; prize fellowship Columbia Law School 1884-1887; practiced law in New York 1884-1891, 1893-1906; professor of law 1891-1893, special lecturer 1893-1895, Cornell University; special lecturer, New York Law School, 1893-1900; counsel Stevens gas committee (New York Legislature) 1905; counsel Armstrong insurance committee (New York Legislature) 1905-6; special assistant to Attorney General, coal investigation, 1906; nominated for mayor of New York by Republican convention 1905, but declined; elected governor of New York for two terms (1907-8 and 1909-10); resigned October 6, 1910; appointed Associate Justice, United States Supreme Court, May 2, 1910, and assumed duties October 10, 1910; nominated for President of the United States by the Republican national convention at Chicago June 10, 1916, and resigned from the Supreme Court on the same day; received 254 electoral votes for the Presidency, as against 277 for Woodrow Wilson, Democratic nominee; practiced law in New York since January 1, 1917; chairman district board of draft appeals, New York City, 1917-18; special assistant to the Attorney General in charge of aircraft inquiry 1918; appointed Secretary of State March 5, 1921.

DUTIES OF THE SECRETARY OF STATE

To perform such duties as are imposed upon him by law, or entrusted to him by the President, in the conduct of foreign affairs and in dealings with governments of the states.

To aid the President in the formulation of the foreign policy of the United States.

To meet and negotiate with representatives of foreign governments.

To promulgate rules and regulations affecting the department and the Diplomatic and Consular Services.

To countersign and affix the seal to executive proclamations, commissions, and extradition warrants.

To pass on all matters referred by the Solicitor to the Department of Justice.

To approve all leases, bonds, and other similar documents.

To recommend the appointment of all presidential officers in the department and to approve appointments under civil service rules and regulations.

To appear before congressional committees on matters of appropriations and proposed legislation affecting the department.

Is a member, in various capacities, of several boards and commissions.

*The Treasury Department was presented in the November number of THE CONGRESSIONAL DIGEST.

THE CONGRESSIONAL DIGEST

United States Department of State—cont'd

DEPARTMENTAL DIVISIONS

<p>Secretary of State, Charles E. Hughes, Salary, \$12,000. Undersecretary of State, William Phillips, Salary, \$7,500. Office of Foreign Trade Adviser Division of Latin American Affairs Division of Mexican Affairs Division of Foreign Intelligence Office of Historian Office of Special Agent Assistant Secretary, Leland Harrison, Salary, \$5,000. Division of Western European Affairs Division of Near Eastern Affairs Division of Russian Affairs Bureau of Appointments Second Assistant Secretary, Alvey A. Adey, Salary, \$4,500. Division of Passport Control Visé Office</p>	<p>Diplomatic Bureau Bureau of Rolls and Library Bureau of Indexes and Archives Office of Law Clerk Third Assistant Secretary, Robert W. Bliss, Salary, \$4,500. Office of Ceremonials Division of Far Eastern Affairs Bureau of Accounts Director of the Consular Service, Wilbur J. Carr, Salary, \$4,500. Consular Bureau Division of Political and Economic Information Office of Chief Clerk Solicitor (vacant). American Sections, International Commissions.</p>
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United States Department of Justice

HON. HARRY M. DAUGHERTY, ATTORNEY GENERAL

HARRY M. DAUGHERTY, of Columbus, Ohio, was born Washington Court House, Ohio, January 26, 1860, son of John H. and Jane A. (Draper) Daugherty; his father died when he was 4 years old; attended the public schools of Washington Court House, Ohio; received his college education at University of Michigan, and was graduated from the law department in 1881 with degree of LL. B.; practiced law in Washington Court House until 1893, when he removed to Columbus, Ohio; in 1902 organized the law firm of Daugherty, Todd & Rarey, of which he was senior member until he severed his connection with same upon being appointed Attorney General of the United States; married Lucie M. Walker, of Wellston, Ohio; has one son and one daughter; served as a member of the General Assembly of Ohio (from Fayette County) from 1890 to 1894—two terms.

DUTIES OF THE ATTORNEY-GENERAL

<p>To render opinions on questions of law to the President and to heads of departments. To direct the law officers of the Department of Justice in the conduct of government litigation. To approve by written opinion the validity of title to public property. To promulgate regulations formulated by prison boards of parole and rules governing United States prisons. To act with the Secretary of the Interior in approving the adjudication of suspended entries of public lands and suspended preemption land claims.</p>	<p>To approve all bonds, contracts, leases, and other similar documents. To recommend the appointment of presidential officers in the department, and to approve appointments under civil service rules and regulations. To issue orders affecting the policies and programs of the different offices. To appear before congressional committees on matters of appropriations and proposed legislation affecting the department. Is a member, in various capacities, of several boards.</p>
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DEPARTMENTAL DIVISIONS

<p>The Attorney General, Harry M. Daugherty, Salary, \$12,000. The Solicitor General, James M. Beck, Salary, \$10,000. Solicitor for the Department of State, —. Solicitor of the Treasury, Lawrence Becker, Salary, \$5,000. Solicitor of Internal Revenue, Carl A. Mapes, Salary, \$5,000. Solicitor for the Interior Department, Edwin S. Booth, Salary, \$5,000. Solicitor for the Post Office Department, John H. Edwards, Salary, \$5,000. Solicitor for the Department of Commerce, —. Solicitor for the Department of Labor, Theodore G. Risley, Salary, \$5,000. Assistant to the Attorney General, Augustus T. Seymour, Salary, \$9,000. Anti-Trust Division Assistant Attorney General, Robert H. Lovett, Salary, \$7,500. Division for the Defense of Suits Assistant Attorney General, William D. Riter, Salary, \$7,500.</p>	<p>Public Lands Division: Office of Titles Office of Land Litigation in the District of Columbia. Assistant Attorney General, John W. H. Crim, Salary, \$7,500. Criminal Division Assistant Attorney General, Albert Ottinger, Salary, \$7,500. Division of Admiralty, Finance, Foreign Relations, Territorial and Insular Affairs Assistant Attorney General, Mabel W. Willebrant, Salary, \$7,500. Division of Taxation, Insurance, Prohibition, and Minor Regulations of Commerce Assistant Attorney General, William W. Happin, Salary, \$7,500. Customs Division Assistant Attorney General, Rush L. Holland, Salary, \$7,500. Executive Offices Bureau of Investigation. Office of Superintendent of Prisons. Office of Pardons.</p>
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THE CONGRESSIONAL DIGEST

United States Department of Commerce

HON. HERBERT C. HOOVER, SECRETARY OF COMMERCE

HERBERT CLARK HOOVER, of Stanford University, California, was born West Branch, Iowa, August 10, 1874, son of Jesse Clark and Hulda Randall (Minthorn) Hoover. A. B., Engineering, Stanford University, 1895. In 1899 he married Lou Henry, of Monterey, Calif., and they have two sons. Professional work in mines, railways, metallurgical works, in United States, Mexico, Canada, Australia, Italy, Great Britain, South Africa, India, China, Russia, etc., 1895-1913. Representative Panama-Pacific Exposition in Europe, 1913-14; chairman American Relief Committee, London, 1914-15; Chairman Commission for Relief in Belgium, 1914-1919; from June, 1917, to July 1, 1919, was United States Food Administrator; member War Trade Council; chairman United States Grain Corporation, United States Sugar Equalization Board, Interallied Food Council, Supreme Economic Council, European Coal Council; director various economic measures in Europe during the armistice, including organization of food supplies to Poland, Serbia, Czechoslovakia, Germany, Austria, Rumania, Armenia, Baltic States, etc., 1917-1919; vice chairman President's Second Industrial Conference, 1920; president American Institute Mining Engineers, 1920; Engineering Council of Federated Engineering Societies, 1921; American Child Hygiene Association, 1921; chairman American Relief Administration, engaged in children's relief in Europe, 1919- ; European Relief Council, 1920- ; trustee Stanford University, 1911. Took oath of office as Secretary of Commerce, March 5, 1921. Gold medals: Civic Forum, National Institute of Social Sciences, National Academy of Sciences, city of Lille, city of Warsaw, Mining and Metallurgical Society, Western Society of Engineers, Andeffret Prize French Academy. Honorary citizen, Belgium. Freeman, Belgian, Polish, Estonian cities. Honorary degrees: Brown, Pennsylvania, Harvard, Yale, Columbia, Princeton, Johns Hopkins, George Washington, Dartmouth, Boston, Rutgers, Alabama, Oberlin, Liege, Brussels, Warsaw, Cracow, Oxford, Rensselaer, Tuft, Swarthmore, Williams, Manchester, University of California. Author various technical publications. Joint translator "Agricola De Re Metallica."

DUTIES OF THE SECRETARY OF COMMERCE

TO perform such duties as are imposed upon him by law, or entrusted to him by the President, in the promotion of commerce and industry and the protection and regulation of navigation.

To determine policies affecting the collection and collation of statistics, the establishment of aids to, and regulation of, shipping, and the standardization of manufacturing processes.

To promulgate rules and regulations respecting the taking of censuses, the protection of the fisheries, the administration of the navigation laws, and the use of government reservations under the control of the department.

To pass upon all matters referred by the Solicitor to the Department of Justice.

To approve all leases, bonds, contracts, and other similar documents.

To recommend the appointment of presidential officers in the department, and to approve appointments under civil service rules and regulations.

To pass upon work programs prepared by the chiefs of the several offices, services, and bureaus.

To issue orders affecting the policies and programs of the different offices, services, and bureaus, and to effect inter-bureau co-operation.

To appear before congressional committees on matters of appropriations and proposed legislation affecting the department.

Is a member, in various capacities, of several boards and commissions.

DEPARTMENTAL DIVISIONS

The Secretary of Commerce, Herbert C. Hoover, Salary, \$12,000.

The Assistant Secretary, Claudius H. Huston, Salary, \$5,000.

Executive Offices:

Bureau of the Census

Bureau of Foreign and Domestic Commerce

Bureau of Standards Coast and Geodetic Survey

Bureau of Fisheries Bureau of Navigation

Bureau of Lighthouses Steamboat Inspection Service

United States Department of Labor

HON. JAMES J. DAVIS, SECRETARY OF LABOR

JAMES JOHN DAVIS, of Pittsburgh, Pa., was born in Tredegar, Wales, October 27, 1873; his father, mother, and their six children immigrated to Pittsburgh in 1881; at the age of 11 began working and learned his trade as a puddler in the iron and steel works at Sharon, Pa.; in 1892 went to work in the iron works at Pittsburgh, Pa.; in 1893 worked in the steel and tinplate mills at Elwood, Ind.; joined the Amalgamated Association of Iron, Steel, and Tin Workers of America, was elected to various offices therein, and is still a member in good standing; elected city clerk of Elwood, Ind., in 1898; elected recorder of Madison County, Ind., in 1902; joined the Loyal Order of Moose in 1906; in 1907 became director general of the order, and still holds that office; chairman Moose war relief commission visiting American, French, British, Belgian, and Italian battle-fields early in 1918; after the armistice returned to battle-fields of Belgium and Germany for relief purposes; married Jean Rodenbaugh 1914 and has two children, aged, respectively, 4 years and 11 months; is president of the American Bond & Mortgage Co., and a member of the Americus Republican and the Pittsburgh Athletic Clubs, of Pittsburgh, Pa.; took oath of office as Secretary of Labor March 5, 1921.

DUTIES OF THE SECRETARY OF LABOR

TO perform such duties as are imposed upon him by law, or entrusted to him by the President, in the promotion of the welfare of labor and the regulation of immigration and naturalization.

To determine policies affecting settlement of labor disputes, and the advancement of opportunities for employment, the flow of immigration, and the naturalization of aliens.

To promulgate rules and regulations respecting the administration of the immigration and naturalization laws and the use of government reservations under the control of the department.

To pass upon all matters referred by the Solicitor to the Department of Justice.

To approve all leases, bonds, contracts and other similar documents.

To recommend the appointment of presidential officers in the department and to approve appointments under civil service rules and regulations.

To pass upon work programs prepared by the chiefs of the several offices, services, and bureaus.

To issue orders affecting the policies and programs of the different offices, services, and bureaus and to effect interbureau co-operation.

To appear before congressional committees on matters of appropriations and proposed legislation affecting the department.

(Continued on Page 75)

Funding the Foreign Debt

WHEN the allied Governments made their hasty war loans from this Government they left at the United States Treasury simple and temporary I. O. U. paper, called certificates of indebtedness, which read as follows:

"This certificate will be converted by the government of the . . . (United Kingdom of Great Britain) . . . if requested by the Secretary of the Treasury of the United States of America, at par, with an adjustment of accrued interest into an equal par amount of 5 per cent gold bonds . . . conforming to the Acts of Congress."

First Report of the World War Foreign Debt Commission

THE World War Foreign Debt Commission was created by the act of February 9, 1922, entitled "An act to create a commission authorized under certain conditions to refund or convert obligations of foreign Governments held by the United States, the text of which is as follows:

That a World War Foreign Debt Commission is hereby created consisting of five members, one of whom shall be the Secretary of the Treasury, who shall serve as chairman, and four of whom shall be appointed by the President by and with the advice and consent of the Senate.

The commission is authorized to refund or convert, and to extend the time of payment of the principal or the interest, or both, of any obligation of any foreign Government now held by the United States, or any obligation of any foreign government hereafter received by the United States (including obligations held by the United States Grain Corporation, the War Department, the Navy Department, or the American Relief Administration), arising out of the World War, into bonds or other obligations of such foreign government in substitution for the bonds or other obligations of such government now or hereafter held by the United States in such form and of such terms, conditions, date or dates, of maturity, and rate or rates of interest, and with such security, if any, as shall be deemed for the best interests of the United States: Provided, that nothing contained in this act shall be construed to authorize or empower the commission to extend the time of maturity of any such bonds or other obligations due the United States by any foreign government beyond June 15, 1947, or to fix the rate of interest at less than 4½% per annum: Provided further, that when the bond or other obligation of any such government has been refunded or converted as herein provided the authority of the commission over such refunded or converted bond or other obligation shall cease.

This act shall not be construed to authorize the exchange of bonds or other obligations of any foreign government for those of any other foreign government, or cancellation of any part of such indebtedness except through payment thereof.

The authority granted by this act shall cease and determine at the end of three years from the date of the passage of this act.

The annual report of this commission shall be included in the annual report of the Secretary of the Treasury on the state of the finances, but said commission shall immediately transmit to the Congress copies of any refunding agreements entered into, with the approval of the President, by each foreign government upon the completion of the authority granted under this act.

The act provides that the Secretary of the Treasury shall be one of the members of the commission and serve as its chairman. As the other four members of the commission, the President appointed on February 21, 1922, Charles E. Hughes, Secretary of State; Herbert C. Hoover, Secretary of Commerce; Reed Smoot, United States Senator, and Theodore E. Burton, Member of the House of Representatives. On February 28, 1922, the Senate confirmed the appointments of Secretary Hughes and Secretary Hoover, and on April 11, 1922, confirmed the appointments of Senator Smoot and Congressman Burton.

The organization and first meeting of the commission was held on April 18, 1922. Eliot Wadsworth, Assistant Secretary of the Treasury, was appointed secretary of the commission.

These I. O. U.'s, which were identical to all borrowers, represent the billions of dollars loaned by the United States to Great Britain, France, Italy and the other allied countries. To convert this paper into bonded securities is the prime function of the World War Foreign Debt Commission. The full powers vested in this Commission and the progress made since it took up its work last spring is set forth in the first official report of the Commission recently made public. This report, practically in full, is given below.

In accordance with a resolution [adopted by the Commission] the Secretary of State instructed the diplomatic representatives of this government at the capitals of each of the foreign governments indebted to the United States, with the exception of Armenia, Austria, Cuba, Greece, Liberia, Nicaragua, and Russia, to communicate to the respective governments to which they were accredited the text of the resolution and of the act. This action was not taken in respect to the governments above named for the following reasons:

Armenia, Greece, and Russia: In none of these countries is there a government recognized by the United States.

Austria: Congress passed on April 6, 1922, a joint resolution giving the Secretary of the Treasury special authority to deal with the Austrian debt.

Cuba: Interest and installments of principal are being regularly paid and no refunding is required.

Liberia: An act authorizing a new loan, from the proceeds of which the existing loan will be repaid in full, has already been passed by the House of Representatives pursuant to request of the Department of State, and is now pending before the Senate.

Nicaragua: This debt is regarded as already in funded form.

In response to the invitation of this government the following countries have designated representatives to negotiate with the commission: Belgium, Czechoslovakia, Finland, France, Great Britain, Hungary, Poland, Rumania, and Serbia.

The commission held further meetings on June 1 and 30, July 27, August 10, and September 29, 1922.

In July, 1922, the French government sent a special mission, headed by Mr. Jean V. Parmentier, director of the movement of funds of the French treasury, to the United States to discuss with the commission the French debt to this government.

Mr. Parmentier stated that he had been designated by the French government to afford the commission complete information as to the financial condition of his government, but that the latter did not consider it possible at the present time to enter into any definite engagements for a funding or settlement of its debt. He further stated that it was his government's desire to postpone for an indefinite period consideration of this matter, until the financial situation of France should become more clear, particularly as to reparation receipts from Germany. The commission's position on the subject was explained to Mr. Parmentier, and especially its desire that a funding of the French debt should take place in the near future. On August 17, 1922, Mr. Parmentier informed the chairman of the commission that he had been keeping his government informed of the progress made in the negotiations and that he had received a cable instructing him

THE CONGRESSIONAL DIGEST

to return for a full discussion with his government of the situation as it had developed.

Announcement was made by the government of Great Britain on July 17, 1922, that a special delegation would proceed to the United States early in September to negotiate terms for the funding of the British debt to the United States. The British Embassy in Washington subsequently reported that the delegation would sail on October 18 for New York, headed by Sir Robert Horne, Chancellor of the Exchequer, who would be accompanied by Mr. Montagu Collet Norman, Governor of the Bank of England, as second delegate. With the recent change of government in England, however, the departure of a delegation has been postponed pending the holding of the elections in that country.

Great Britain has paid \$100,000,000 as interest on her obligations to the United States during the current fiscal year, \$50,000,000 on October 16, 1922, and \$50,000,000 on November 15, 1922, in addition to the payments under the special agreement as to silver advances.

The Italian government has stated that it is prepared to send a special commission to this country to negotiate with the commission.

The Rumanian government has sent a special delegation to the United States to negotiate with the commission.

The commission has had discussions of a preliminary nature with a few of the other debtor governments, but no definite funding agreements have yet been entered into.

Obligations of Foreign Governments Held by the United States

(With interest accrued and remaining unpaid thereon as of the last interest period prior to or ending with November 15, 1922)

From Annual Report of the Secretary of Treasury for 1922.

Country.	Total Principal.	Total Interest.	Total Indebtedness.
Armenia.....	\$11,959,917.49	\$1,677,256.88	\$13,673,174.37
Austria.....	24,055,708.92	2,886,685.08	26,942,394.00
Belgium.....	377,123,745.94	¹ 60,073,383.65	437,197,129.59
Cuba.....	7,740,500.00	(²)	7,740,500.00
Czechoslovakia.....	91,887,668.65	14,404,536.67	106,292,205.32
Estonia.....	13,999,145.60	2,089,625.66	16,088,771.26
Finland.....	8,281,926.17	1,012,436.10	9,294,362.27
France.....	3,340,746,215.16	503,386,035.61	3,844,132,250.77
Great Britain.....	³ 4,135,818,358.44	⁴ 611,044,201.85	4,746,862,560.29
Greece.....	15,000,000.00	750,000.00	15,750,000.00
Hungary.....	1,685,835.61	202,300.28	1,888,135.89
Italy.....	1,648,034,050.90	284,681,434.61	1,932,715,485.51
Latvia.....	5,132,287.14	643,576.87	5,775,864.01
Liberia.....	26,000.00	3,518.85	29,518.85
Lithuania.....	4,981,628.03	747,244.20	5,728,872.23
Nicaragua.....	170,585.35	(²)	170,585.35
Poland.....	135,662,867.80	17,618,809.01	153,281,676.81
Rumania.....	36,128,494.94	5,864,104.34	41,992,599.28
Russia.....	192,601,297.37	39,712,670.78	232,313,968.15
Serbia.....	51,104,595.58	7,994,087.92	59,098,683.50
Total.....	\$10,102,140,829.09	\$1,554,791,908.36	\$11,656,932,737.45

¹ No interest due on Nicaraguan notes until maturity, as is also the case of certain Belgian obligations aggregating \$2,284,151.40.

² Interest has been paid as it became due.

³ Includes \$61,000,000 of British obligations which were given for Pittman silver advances and for which an agreement for payment has been made.

⁴ Great Britain paid \$50,000,000 on October 16, 1922, and \$50,000,000 on November 15, 1922, on account of interest on other than Pittman silver obligations.

United States Department of Labor—cont'd

DEPARTMENTAL DIVISIONS

The Secretary of Labor, James J. Davis, Salary, \$12,000.
The Assistant Secretary, E. J. Henning, Salary, \$5,000.

Executive Offices:

Bureau of Immigration
Bureau of Naturalization
Bureau of Labor Statistics

Children's Bureau
Women's Bureau
Division of Conciliation
United States Employment Service
Bureau of Industrial Housing and Transportation
U. S. Housing Corporation

Status of Germany's Indebtedness

Chief Dates and Events in the First Three Years of German Reparation

Nov. 11, 1918—Armistice concluded. Germany to make "reparation for damage done."
June 28, 1919—Treaty of Versailles signed. Germany to pay for damages to persons and property.
Apr. 19-26, 1920—Conference of San Remo. Mr. Lloyd George suggests meeting with German representatives.
May 14-16, 1920—Conference of Lympe. Franco-British commission of experts set up to consider methods of payment.
June 19-22, 1920—Lympe-Boulogne conversations. International loan for Germany suggested.
July 2-4, 1920—Brussels Conference. France to receive 52 per cent of German payments, Britain 22 per cent.
July 5-16, 1920—Spa Conference. German delegates present. Percentages confirmed. Coal demands reduced.
Dec. 16-22, 1920—Brussels Conference of allied and German experts. Suggestion made that Allies be given a first charge on German customs receipts.
Jan. 24-30, 1921—First Paris Conference. Forty-two annuities and 12 per cent levy on exports agreed on. "Sanctions" formulated.
Mar. 1-7, 1921—First London Conference. German conditional counterproposal to pay 30 billions of gold marks rejected. Materials and labor for reconstruction offered. Ultimatum delivered.
Apr. 24, 1921—German proposal to United States Government, conditional on loan. Offer to take over part of allied debt to United States. United States Government refuses transmission of proposal to Allies.

Apr. 27, 1921—Decision of Reparation Commission announced. Germany to pay 132 billions of gold marks and Belgian debt to Allies, in annuities of 2 billions plus 26 per cent on exports. Guarantees committee set up.
Apr. 29, 1921—Second London Conference assembled.
May 5, 1921—Second ultimatum to Germany. Occupation of Ruhr threatened.
May 11, 1921—Unconditional acceptance of decision by Germany.
Oct. 6, 1921—Loucheur-Rathenau agreement signed at Wiesbaden, arranging for direct supply of restoration materials to France.
Oct. 20, 1921—Reparation Commission approves the agreement in principle.
July 20, 1922—Amended agreement comes into operation.
Jan. 8, 1922—Cannes Conference assembled. Program for 1922 agreed on. January and February payments reduced.
Mar. 21, 1922—Reparation Commission announces details of conditional partial moratorium for 1922—720 millions in cash, 1,450 millions in kind to be paid for the year.
May 24, 1922—Committee of experts meets to consider loan to Germany. Finds loan impossible under present schedule of payments.
July 12, 1922—Germany presents formal request for 2½-years' moratorium.
Aug. 7-14, 1922—Third London Conference. France refuses to grant moratorium without further guarantees.
Aug. 31, 1922—Reparation Commission grants six-months' moratorium, payment to be in treasury bills, guaranteed in manner satisfactory to Belgian Government.
From—Federal Reserve Bulletin, November, 1922.

Actual position with regard to Germany's reparation indebtedness on August 31, 1922, including payments to date:

From Monthly Accounting Annex Published by the Reparation Commission.

*To nearest Thousand Gold Marks
 Value of G. M. in U. S. Currency \$2382*

	Total Amount Due.	Total Amount Paid.	Balance Owng.
a. On pre-1st May, 1921 Army costs and coal advances accounts.....	3,534,734,000	2,621,650,000	913,084,000
b. On capital debt account.....	137,504,000,000	2,504,342,000	134,999,658,000
c. On post-1st May, 1921 Army costs accounts.....	324,350,000	1,268,190,000	56,160,000
d. On schedule of payments accounts: on instalments due to August 15, 1922.....	3,602,076,000	1,952,923,000	1,649,153,000
On instalment falling due 15th October.....		38,023,000	Cr. 38,023,000
G. M.	144,965,160,000	7,385,128,000	137,580,032,000

Division of Reparations

According to the Agreement between the Allies, signed at Spa, July, 1920, the Governments of Belgium, France, Great Britain, Italy, Japan and Portugal respectively, agreed upon the following: Part I, Article I, In pursuance of Article 237 of the Treaty of Versailles, sums received from Germany under the head of reparation shall be divided in the following proportions:

	Per cent.		Per cent.
British Empire.....	22	Japan.....	.75
France.....	52	Belgium.....	8
Italy.....	10	Portugal.....	.75

6.5 per cent, shall be reserved for Greece, Rumania, the Serb-Croat-Slovene State, and for the other Powers entitled to reparation which are not signatories of this Agreement.

The Cancellation Controversy

THE suggestion of inter-allied cancellation came originally, it appears, from the British Government in a communication sent in February, 1920, by the Hon. Austen Chamberlain, then Chancellor of the Exchequer, to Mr. B. C. Lindsay, representative of the British Treasury in the United States, and by him transmitted to the Assistant Secretary of the Treasury, R. C. Leffingwell. In March following, this communication was replied to adversely by the Secretary of the Treasury, Mr. Houston. On August 5, 1920, Premier Lloyd George formally proposed to President Wilson the cancellation of the debts. This proposal was rejected by President Wilson in October, 1920.

On August 1, 1922, the British Government communicated a note, signed by the Earl of Balfour, Acting Secretary of State for Foreign Affairs, to the French Government, and to the governments of Italy, Yugoslavia, Rumania, Portugal and Greece. This note, which deals with the question of inter-allied indebtedness as between these governments and Great Britain, was not directly addressed to the American Government, but a copy of the note was conveyed to the American Embassy in London for transmission to Washington, as a matter of courtesy. On August 24, 1922, Secretary Mellon issued a formal statement which may be considered in effect an answer to the so-called Balfour note. This statement deals with the status of the debts owed by different foreign governments of the United States, which had been the subject of certain observations in the British note.

Since the two days' conference of Premiers in London called for December 9, 1922, and subsequently adjourned to January 2, 1923, the question of cancellation of war debts has again been brought prominently to the fore. The British Premier, Bonar Law, announced at the conference of Premiers that his government did not consider itself bound by the Balfour note and that he was prepared to reconsider the question of cancellation of debts, if such cancellation would insure a settlement satisfactory to the British Government, but, that there could be no thought of cancellation of debts owing Great Britain unless the reparations settlement should be definite and final. In his speech to the House of Commons on December 14, 1922, Bonar Law declared that Great Britain could not pay her debt to the United States if she cancelled the debts owing her, for to do so would cripple her for generations.

The position of the United States with respect to her loans to the allied Governments has been set forth in the establishment by Congress of the World War Foreign Debt Commission. The act creating this Commission especially provides that cancellation may not be considered by the Commission.

The British debt-funding delegation, whose departure for the United States had been repeatedly reported, is, it is announced, at the time of writing, to leave Great Britain on December 27. According to these advices the delegation will include besides the Hon. Stanley Baldwin, Chancellor of the Exchequer, and his staff, the Hon. M. C. Norman, Governor of the Bank of England, and his staff, and Mr. Rowe Dutton, adviser to the Treasury.

A Summary of Views on Cancellation of Inter-allied Debts

Pro

Dr. Edwin Seligman

Columbia University

THE revolution which converted us from a debtor to a creditor nation is due to the fact that we made enormous profits. Had we been in the war from the beginning we also should now have been hovering on the brink of bankruptcy.

We have the hardihood to say that our relatively insignificant cash contribution, all of which, incidentally, was expended in this country and went to enrich our people, constitutes a debt which we have the moral right to exact from those who fought by our side and who suffered for the common cause—that is, for our cause—sacrifices incalculably greater than our own!

Mr. Hoover tells us that the interest and amortization charges upon the debts amount to only from 2 to 12 per cent of their annual income. But if our insistence on payment by Great Britain puts her into the unfortunate position of demanding payment from the other Allies, Mr. Hoover's figures must be at least doubled. The Allies will be called upon to pay not from 2 to 12 per cent of their annual income, but from 4 to 24 per cent. And 24 per cent cannot be considered a negligible sum.

What is the situation in the Continental countries of Europe? They have no gold to remit. They cannot send us their land, railroads or factories. They have no securities of foreign countries to turn over. There is no likelihood of any substantial increase in the invisible items which they could transfer to us. On the contrary, in the present perilous economic situation there is little likelihood of their receiving

Con

Hon. Herbert Hoover

Secretary of Commerce, Member World War Foreign Debt Commission

PROPOSALS have been repeatedly made over the last three years that the loans from our Government to foreign countries during the war should in part or in whole be canceled, either for moral reasons or in the interest of economic stability.

These loans are often spoken of as debts to our Government. They are, in fact, debts owing to our taxpayers. These loans were made at the urgent request of the borrowers and under their solemn assurance of repayment. There is no question as to the moral or contractual obligation. I do not believe any public official, either of the United States or any other country, could or should approve their cancellation. Certainly I do not.

The proposals for abolition or reduction of interest for a certain number of years arise from the belief that certain countries can not physically make these payments at the present time without undue strain, or that such action would contribute to general economic stability and the more rapid recovery of these countries, in which everyone would benefit. The British do not make claims for such assistance from us and are arranging their payments. The proposition, therefore, narrows itself to debtors on the continent. The burden of payments falls with different weight upon each of the 19 different debtors and each case is a problem to itself, and it will be found that respective annual payments due to us from different countries vary in their burden upon them from 2 to 12 per cent of their governmental income.

Pro

(Dr. Edwin Seligman—cont'd)

additional sums in foreign investments or profits on a larger merchant marine, or of gains through developing banks or insurance companies, and the sums yielded by a possible increase of American travelers abroad would be only a drop in the bucket. It remains true, therefore, despite Mr. Hoover's statement, that the only way in which a foreign debt of any magnitude can be paid is through an exportable surplus. This means two things: First, that there is a surplus of social income; second, that this take the form of exports.

The truth is that our debtors are bankrupt. They cannot pay now, and will not be able to pay in any assignable time. I have found no prominent business man or banker here or abroad who believes that there is any possibility of paying the debts.

But even if the Allies could pay, the final question arises: Should we demand that they pay now and forthwith? If they have the ability to pay, have we the capacity to receive?

Mr. Hoover seeks to answer this question in the affirmative by telling us of the three-cornered trade; of the fact, familiar to every tyro, that a nation in international trade may acquit its obligations to another country by transferring the debits to a third country, which stands in an opposite relation. Mr. Hoover endeavors to quiet our fears about the danger of European countries exporting to us a surplus of manufactured goods, which would stop the wheels of our industry, by saying that this surplus may come in the shape of raw materials—rubber, silk, coffee, cocoa or what not, which we need, and not in competitive goods. . . . Let us concede that the tropical countries send us more rubber, tin, silk or coffee, and that the European debtors send their manufactured goods to the tropics instead of to the U. S. What will then happen, may I ask, to our exports of agricultural implements, electrical apparatus and textiles to China, South America and Africa? If the rubber and coffee are sent out by them to pay for industrial products received from Europe, what will there be left with which to buy industrial products from the U. S.?

No explanation can obscure the fact that, despite the three-cornered trade, a nation's commerce must be envisaged as a totality. If the rest of the world pays a debt by exporting more goods, whether to us or to another country, it makes it harder for us to export the usual quantity of goods in return. The reason why under normal conditions, exports are mutually profitable, is that the exporting country is thereby enabled to secure imports, that is, to buy commodities. It is a matter of give and take. But when, in order to pay an immense debt, the rest of the world has to increase its exports to us, there is nothing to call for imports in return; and with the cessation of our exports to foreign countries our factories will close, our industries languish and a period of business depression will set in.

What we need in this country is a more thorough study of what Mr. Hoover concedes to be complex elements in the problem. When that study is made it will in every judgment lead the American people to the conclusion that they cannot afford to press for an immediate repayment of the debt, or even for such a refunding as is contemplated in the law.—*Extracts from Article in "New York Times."*

Hon. John H. Clark

Former Justice of the U. S. Supreme Court

I HAVE slowly but definitely come to the conviction that both the political and business welfare of our country require that loans made by our government to the governments of our Allies during the late war should all be promptly and wholly canceled.

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(Hon. Herbert Hoover—cont'd)

The settlement of international balances between America and Europe contains factors that are in their volume unique in international commerce. For instance, the annual expenditure of American tourists abroad, the remittances of emigrants in the United States to their relatives abroad, the growing volume of investment made by our people in foreign countries, interest upon investments in the United States of private citizens of our debtor countries and other items of so-called invisible exchange—all combine to furnish a large supply of our money to Europe with which they in turn can make payments for interest on debts, or for the purchase of goods from us. In total to the world these sums amounted to about \$1,500,000,000 in the last fiscal year, which was, indeed, a year of depression, and these are sums which with peace in the world will grow constantly over the future.

The world's trade is to a large extent a sort of pool, as the result of triangular operations; that is, if our investors loan money to the Argentine, then the Argentine may expend this money in the purchase of goods from the continent of Europe. The continent of Europe thus possessed of this money, may use it in payment on account of debts due us or in the purchase of our goods. Another case of triangular world commerce of profound and growing importance is the relation of our imports of goods from the Tropics.

The shipment of European manufactured goods, of the sort that might compete in our home market, to the Tropics, and in turn the shipment to us of tropical goods that will not interfere with our domestic manufacture or employment, is not only possible but is going on all the time. The products of the Tropics—rubber, coffee, sugar, woods, etc., are a type of goods which we can not sufficiently produce. They, therefore, do not affect employment in the United States and they are goods which are constantly increasing in ratio to our total imports.

Thus, it does not follow that the whole of these debts are either to be paid in goods or that competitive goods necessarily come into our market at all from this cause. Beyond this, if America continues strong and prosperous, our ability to consume European goods of the types we do not ourselves produce will be greatly increased, and Europe's ability to pay us would be still further increased. The assuming that the present surplus of exports over imports represents the available balance with which a country can meet a long-time debt ignores not only the fact that the movement of goods alone does not form the whole basis of payment, but it ignores the time element. Due to increasing population, development of science, and natural resources, the world's international commerce doubles nearly every 15 or 20 years, and this debt burden being a fixed burden will thus be a decreasing burden.

America earnestly wishes to be helpful to Europe, but economic matters require a degree of realism that will do justice to the American people, as well as be helpful to peoples abroad.—*Extracts from Address at Toledo, October 16, 1922.*

Garet Garrett

Financial Publicist

UNTIL the war Europe was creditor to the whole world, drawing billions of interest annually from distant countries, including at least \$500,000,000 a year from the United States. Now for the first time it owes, and from thinking of this debt of say, \$11,000,000,000 to the United

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(Hon. John H. Clark—cont'd)

One fact fundamental to any discussion of this subject is that if we do not cancel the loans we shall never be able to convince these now friendly nations that the United States ever accepted its fair share of the burden of the war, and if the process of collection shall go forward this conviction will deepen into enmity with everyone of these most important nations of the world—with all that this implies.

After we entered the war our government did all that was humanely possible to aid in the common cause, but our first and indispensable service, the only one that we were able instantly to render, was to furnish to our all but financially exhausted Allies the nine and one-half billions of dollars which we are discussing today, to enable them to hold the battle line until we could come to aid them.

Because we are not asking the Allies to share in the cost of equipping and maintaining our army some men argue that they should not object to returning the contribution we made to the cost of maintaining theirs. But the cases are wholly different. In length of service, in loss of life, even in money spent, the sacrifice of our Allies was much greater than ours.

As a matter of sound business the loans should be canceled, because it is not possible for any of the Allies, with the exception perhaps of Great Britain, to pay even the interest, much less the principal, of its loan while meeting the necessary expenses of carrying on its government, without which Europe would fall into chaos.

Let us assume that our Allies may be able to pay if the time for payment is extended over many—say thirty to fifty—years. Still, I think as a matter of sound business we should cancel the loans, because I believe that for us to accept payment in the only form in which it can be made would do us much greater harm than could possibly be compensated for by any benefits to be derived from such payments.

Any suggestion, even on the part of our government, that it would accept such payments, thus in kind, would put our institutions to a test to which they should not be exposed. It would mean ruin as certainly to employer and as to employed. To pay with credits, at all, our debtors must manufacture in greater volume than ever before and, with markets restricted as they have been by the war, they must undersell us here at home and abroad. One mode of payments would be as demoralizing as the other.

These three nations are our best customers, especially for products of our farms. To compel them to pay the loans will impoverish them for many years to come and render them even less capable of buying from us than they now are.

We should tell the truth to the country. These loans are neither a moral nor a just obligation, because if they were paid we should not have borne our just share of the burden of defending the great, common cause; that our Allies are so financially crushed that it is impossible for them to pay us, and that any attempt to collect the loans will result, not in payment, but in the loss of the friendship and markets of these great nations and in their seeking other international friends and trade relations. Nations unable to buy sufficient food for their people cannot pay billions of debt. It is purely illusory for us to think of paying a soldiers' bonus or of reducing taxation with payments to be made by the Allies; and that payment, if it could be made in commodities or in credits to be derived from the sale of commodities, would demoralize our markets at home and abroad, and would so intensify and prolong the present business depression that any gain to be derived from such payments could not possibly compensate us for the losses we should suffer.

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(Garret Garrett—cont'd)

States it has developed a kind of debtor's hysteria. It owes itself so much on account of the war that it cannot pay. Or it cannot pay us until Germany pays.

Steadily, since the Armistice, cancellation of war debts has been powerfully and adroitly urged.

When Great Britain says she is willing to forgive war debts of £3,400,000,000—say \$17,000,000,000—while the United States is unwilling to forgive only about a quarter of that sum, say £850,000,000—\$4,250,000,000—the arithmetic is misleading.

In that sum of \$17,000,000,000 of war debts due to Great Britain, which she would forgive, is included \$7,250,000,000 of German indemnity, which now is admitted to be uncollectible.

The American Government has no claim upon German indemnities. It does not participate. Thus the figure of Great Britain's generosity is swelled with a claim against Germany for \$7,250,000,000 in contrast with which the American Government has no such claim to be either enforced or forgiven, for the specific reason that it never made one and left the Allies free to take for themselves first whatever they could get from Germany.

If we deduct Great Britain's claim upon Germany, the actual amount of debt she is willing to forgive becomes \$9,750,000,000. On the other hand, in the event of an all-around cancellation of war debts, the amount the United States would have to forgive would be \$10,500,000,000, for, of course, we could not forgive Great Britain \$4,250,000,000 and collect from all our other debtors. Moreover, in the event of an all-around cancellation, Great Britain would both forgive and be forgiven, whereas the United States could only forgive. The case would then be:

Great Britain forgives.....	\$ 9,750,000,000
Great Britain is forgiven.....	4,250,000,000
Net British sacrifice.....	5,500,000,000
The United States would forgive and sacrifice.....	10,500,000,000

Thus we, the traders, would lose \$5,000,000,000 more than Great Britain.

It is bound to be admitted that cancellation may be morally urged upon one ground only—that is, upon the ground that the war was a common enterprise in defense of civilization.

The amazing fact is that neither Great Britain nor any other allied government in Europe is proposing even now to take that view of the case actually. What is proposed only is that America shall uncharge Europe for the things Europe borrowed in the United States. It has never once been suggested that Europe should uncharge America for the things America bought and paid for in Europe during the war, for the war.

While Great Britain, France, Italy and the other Allies were giving us their I O U's for the war things they got in the United States, we paid at once for all the things we got in Europe. America's expenditures for war things in Europe gave Europe more dollars to spend for war things in the United States and increased the means to victory; and the aggregate of these expenditures was enormous—four or five billion dollars.

Can Europe's debt to the American Government be paid as a matter of fact? Consider what this debt represents—a surplus of things produced in nineteen months by the labor of 100,000,000 people above their own peace needs and war needs combined and loaned away to other people.

What would repayment represent? Merely a return of those things or the equivalent thereof.

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(Hon. John H. Clark—cont'd)

I think that the cancellation of the loans which I am advocating should not be unconditional, but rather on condition that our Allies shall release their debtors from war obligations to an equal amount, and thus give the impoverished world a chance to start business anew.

If we should cancel our loans to the Allies and each of them in turn should cancel all that is owed to it by any other ally and should credit the balance remaining on the indebtedness to be paid by Germany and Austria, it would go far, in the opinion of those competent to speak in such matters, to re-establish credit and exchange in Europe upon a stable basis, and very certainly it would be a contribution beyond estimate to the present future peace of the world.—*Extracts from Address before the Cleveland Chamber of Commerce. Reprinted in "New York Times."*

The Right Hon. Reginald McKenna

Chairman London Joint City and Midland Bank, Ltd., London. Mr. McKenna was formerly First Lord of the Admiralty, 1908-1911; Home Secretary, 1911-1915; Chancellor of the Exchequer, 1915-1916.

THERE is no matter of more deep concern to the world's trade at the present time than reparation payments and international debts. I speak as a banker expressing my personal views. I have nothing to do with politics and I do not appear in any representative character.

What we have to investigate is not Germany's capacity to produce wealth, but her capacity to pay foreign debt. Nobody has ever doubted Germany's immense power to produce, but production by itself is not enough. She must find a market for her exports.

These international debts are far too great for the capacity of any of the debtor countries except England. She alone in her accumulated foreign investments has adequate resources with which to discharge her liability to the United States.

Of the others, France has the greatest resources, but they are, I believe, quite insufficient to meet her obligations. The whole subject requires a rational reconsideration by the creditors, who must keep steadily in view the immediate effect of the payment of these debts on the general trade of the world. The creditor countries will obtain greater advantage from trade prosperity, which will ensure future employment in their factories and workshops, than they can ever receive from the precarious payment of these debts. In the last two years we have had experience of the effect upon foreign trade of tumbling exchanges and broken-down credit, and though the consequences may be more serious in England than in the United States, where foreign trade is comparatively only a small part of the total trade, they are still grave enough in the latter country also to warrant the fullest and most careful consideration.

It may be objected that my argument appears to lead to the unpalatable conclusion that no nation, unless it has accumulated resources in the form of foreign investments, can discharge external obligations to anything more than a comparatively small amount. This is an objection which goes to the very root of the question of international loans and forces us to a consideration of the real meaning of an exportable surplus.

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(Garet Garrett—cont'd)

Does anyone pretend to say that the 172,000,000 people of Great Britain, France, Italy, Belgium, Rumania, Czechoslovakia, Jugo-Slavia and Greece, in twenty-five years, cannot with their labor produce in excess of their own peace needs a surplus of things equivalent to the surplus of things produced in nineteen months by 100,000,000 people in excess of their own peace and war needs combined?

The great bulk of Great Britain's foreign investments, probably \$15,000,000,000, survived the war intact. But if Great Britain had not been able to borrow American dollars all those foreign investments would perhaps now belong to the late Imperial German Government.

If the allied countries did not owe us they might be paying the Germans.

And if the allied countries do not pay us we shall, to all intents and purposes, have paid the German indemnity.—*Extracts from Article in Saturday Evening Post, November 25, 1922.*

Hon. Theodore E. Burton, Ohio

Member of World War Foreign Debt Commission

LET it be understood that whatever I say is said upon my own responsibility, rather than as a member of the so-called Debt Commission or as a member of Congress.

I must say that the disposition of the people of the United States is to require the payment of these debts. It is not difficult to trace the reasons which have led to this conclusion. They are: First, a feeling that international credits, especially the debts of nations, have a certain degree of sanction, I may say of sacredness. No one can exaggerate the importance of credit in the modern financial and industrial world. It renders the resources of those who do not engage in enterprise available for the benefit of all for the promotion of wholesome activity. . . . The cancellation or repudiation of debts would create not merely confusion and distrust in the financial world, but quite as dangerous—would seriously impair future development. The result would rest with special weight upon such a country as England, where for centuries past, English currency and English obligations have been the very synonym of stability and of assurance of payment. Common fairness dictates that this record for meeting obligations should create no discrimination to her disadvantage.

Another reason is that the amounts advanced to foreign countries were provided by loans obtained from the people, and that with no small degree of difficulty. The advances made were not from an abounding revenue, but by the action of the United States in becoming a borrower alike with these debtors at the time. The burden of taxation is extremely heavy in our own country, and in proportion to the burdens existing before the late Great War the increase in national indebtedness has been far greater, and, in taxation, quite as great as if not greater than in the countries of Europe whose obligations we hold. We do not like the idea that we should have a permanent national debt. There is a burning desire for the maintenance of peace. In case of cancellations, what assurance is there that the resources which otherwise would be applied upon payments might not be utilized for the expansion of military and naval establishments, and thus create an ever-present threat of future conflict and destruction?

There is still another point in this connection. A very considerable fraction of the advances was made after the actual close of the war, and was for rehabilitation and the creation of new enterprises, rather than for the prosecution of the war in the time of great emergency. It must be said that at the time these loans were made the legislation authorizing them and

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(The Right Hon. Reginald McKenna—cont'd)

I cannot help thinking that there has been a general, though very natural, misunderstanding of the conditions under which international payments are made. In its present magnitude the subject is new. In the past we have been accustomed only to the discharge of comparatively small liabilities between nations which has been effected partly by the remittance of gold, and partly by an extension of export trade facilitated by a fall in the exchange of the debtor country, and it is not easy now to free ourselves from the ideas we have formed in the course of our past experience. Mistaken opinions on these economic questions are not surprising, but they are causing grave disasters throughout the world.

The conclusion to which I am driven is that Germany can only pay now whatever she may have in foreign balances together with such amount as she can realize by the sale of her remaining foreign securities; that this payment is only possible if all other demands are postponed for a definite period long enough to ensure the stabilization of the mark; and that future demands at the expiration of this period must be limited to the annual amount of Germany's exportable surplus at that time. Further, that England has the capacity to pay to the United States interest and sinking fund on her debt; but that the other debtors are none of them in a position to meet more than a small part of their external liabilities, and in the existing condition of Europe a definite postponement of any payment by them is desirable in the interests of all the parties. The actual amount which the other debtors could ultimately pay should, as in the case of Germany, be ascertained by inquiry into their exportable surplus at a full and frank conference between creditors and debtors.

If I have become convinced that an attempt to enforce payment beyond the debtor's ability is injurious to the international trade of the whole world, lowers wages, reduces profits, and is a direct cause of unemployment, the conclusion is founded solely on economic grounds and is uninfluenced by any political considerations or any regard to the moral obligations of the debtors. I know very well that there are other considerations affecting these debts, but these are matters of statecraft to be determined by the rulers of the creditor countries according to their view of wise policy, which covers many interests besides those of trade and finance.—*Extracts from Address before The American Bankers' Association, October, 1922.*

Thomas W. Lamont

J. P. Morgan Company of New York

THERE is no concrete problem more vital for us to study with clear and generous vision than that of the so-called interallied indebtedness. In our discussions of reparations over here, the American attitude has, on the whole, been critical of the French for apparently not realizing more quickly the facts of the situation and thus drastically scaling down the reparations payments. In fact, many critics over here have been advising France to forgive a good part of the German debt. To these critics Frenchmen have not unnaturally replied: "It is easy for Americans to advise us to forgive German debts due to us in repair of the frightful havoc caused by Germany upon our homes and industries; but what about America, in turn, doing a little of the debt-forgiving business, especially as the debts that were contracted with the American Government were made in order to enable us, in large measure, to do America's fighting before her own soldiers got into the firing line."

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(Hon. Theodore E. Burton, Ohio—cont'd)

the popular expectation alike contemplated payment. It was the universal expectation that the loans would be repaid. In the war itself the United States was not subjected to the same surpassing dangers as her Allies, and in the peace she sought no acquisition of territory. Large indemnities are not expected by her.

I cannot too strongly emphasize the fact that the only effective means for the payment of debts and the healing of the economic life of nations must depend upon progressive disarmament and the maintenance of peace. The burdens of war and of preparation for war have demoralized the finances of nations and spread their withering blight everywhere. In our own country we can point to the startling fact that the expenses of the so-called Civil War from 1861 to 1865 were more than all the expenses of the Federal Government from its beginning in 1789 for seventy-two years, and, what is still more striking, that the expenses of the late war, with its aftermath and immediate results, were greater than all the expenses of the Federal Government in the 128 years preceding. There can be no more forcible illustration of the desirability of providing means which justice and the common sense of mankind may devise for the amicable settlement of controversies among nations.—*Extracts from Speech before the American Chamber of Commerce in London, September 26, 1922. Reprinted from (London) Times.*

Hon. Eliot Wadsworth

Assistant Secretary of the Treasury and Secretary of the World War Foreign Debt Commission

I WISH to make it very clear that there is no intention of entering upon the question as to whether we are ethically called upon to cancel. That question is one of personal judgment. I am going to talk of those loans purely from a business point of view.

As a practical matter, what has been the real effect of these debts upon foreign exchanges, foreign trade, and European budgets? What is their actual contribution to the financial uncertainties in Europe? The notes lie dormant in the treasuries of the creditor countries—England, the United States and France. I do not know just how much England and France may have collected since the armistice, but the payments to this country have certainly had little effect upon foreign exchange.

Nations like individuals must have credit or fall behind. The debtor nations must have capital for reconstruction and development. It can hardly be doubted that in the long run credit will be more quickly restored if the debts now outstanding can be settled in some business-like way and the promises given by sovereign nations redeemed.

There is a point in this discussion not often made, namely, that some day we may be the borrower; the European nations, the lenders. If the debts of this war are canceled, just how could we word our promise to pay so as to satisfy the lender that we would not in after years request its cancellation on the ground that we had taken similar action in years gone by?

In view of what has been said in some quarters as to the actions of this country in its role of creditor, it is well to rehearse the record in order that the facts may be more fully known.

After the armistice the United States continued its financial support to Europe on a liberal scale, not alone to clean up war liabilities, but to help meet the needs of old and new nations precipitately changing from a war to a peace basis. Loans of 2½ billion under the Liberty Loan Acts, 84 million under the Relief Act were made, while much needed supplies were sold on credit by the Army and Navy to an amount of 575

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(Thomas W. Lamont—cont'd)

Suppose we put to ourselves, in all seriousness, that point that the French have put to us, namely—"Isn't it fair for us, inasmuch as we seem to be urging France to forgive part of the German debt in order to effect economic adjustments in Europe, to do a little forgiving ourselves?"

Let us, by investigation, determine what, if any, of these debts to our government are in any event uncollectible, and so should be written off in order to "quit fooling ourselves." Let us decide what others of these debtors are good in part but must be given ample time to pay in—far longer perhaps than twenty-five years. Emphatically, let us figure to see whether the payment of these debts (which inevitably must mean a great increase in our import and a heavy decrease in our export trade) is going to prove an asset or a liability for American business.

Then, aside from these phases of the question, there is another one for us to study, which has practicality in it and also some sentiment. It is based on the following fact, namely, that about one-half of the total indebtedness shown in the foregoing table was contracted between April 4, 1917 (when Congress declared war against Germany), and the date a year later when the American army for the first time got its soldiers into the trenches in any considerable numbers. Can it not, with much reason, be argued that whereas during this period of one year, we were wholly unable to furnish soldiers to fight our battles for us, at least we were able to furnish arms and munitions? We did furnish these, but not as a free contribution to the war, for during that period the Allies were purchasing these commodities in America and were paying for them by contracting the debts just described. Ought, therefore, any part of this first half of the debt to be cancelled by the American taxpayers?

If someone on April 4, 1917, had been able to give us our choice as to whether we should rather give up freely and for all time five billion dollars in money or give up the lives of several hundred thousands of our sons, there would have been no hesitation as to our choice. Fate determined that Great Britain and France should give up the lives during that first year, and that we should furnish, not our blood but our money; taking, however, in place of it the promises-to-pay of our Allies.

America's record is a noble one. Who can forget the colossal sums for relief that our people freely gave, during the war and after?

Yet with all this splendid record of liberality and accomplishment, I again put the question whether you and I and our fellow citizens generally are doing our full share to solve the weighty, the tragic questions that are weighing upon the world?

I make no appeal to you for the immediate material aid of the world that lies beyond the Atlantic and Pacific. I make appeal to you, and to myself, for something far more rare—for our assurance to them that we are with them in mind and in spirit in the solution of their difficulties; that we are once again ready, as we were in the Great War and as our forefathers have been for 150 years, to suffer if need be, and to yield up something of ourselves in the general cause of world justice and peace.—*Extracts from Address before the American Bankers' Association, October, 1922.*

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(Hon. Eliot Wadsworth—cont'd)

million, a total of three billion one hundred fifty-four million dollars, or over 30% of the total loans which we are now discussing. That was a trying time and the money advanced was thought by some at least to have saved Europe from revolution and perhaps bolshevism.

In the spring of 1919 when interest came due on the loans the United States advanced the money needed by its debtors to make payment. In September of that year the treasury announced that it was prepared to discuss the funding of the debts and "the funding during the reconstruction period, say two or three years, of interest on the obligations of foreign governments." Interest payments were thereby practically deferred for three years.

That the Government has declined to consider cancellation is not a just ground for criticism. It is doubtful whether there is any serious popular opinion in favor of such action, and certainly there is no authority, without an act of Congress. The loans are part of the assets of the people of the United States represented by debts from nineteen nations, varying in quality from 100% good to 100% bad. They were made for a variety of purposes—not all for the fighting of the war. It would hardly be wise or reasonable to talk of lumping them together for cancellation without regard to the financial needs or desires of the debtors, with no assurance of the benefits which might accrue to mankind, and with no thought of the future effect of such action upon the value of a nation's bond offered in time of stress as security for cash advances.

If our people feel in their conscience that they should make a gift of part or all of these notes, that is an entirely different matter. Congress alone could take such action.

Europe has for generations been prosperous and produced a surplus of wealth, enough for her own capital requirements and vast investments throughout the world. Mr. Hoover estimates that before the war the rest of the world owed Europe 30 billion dollars. Sir Reginald McKenna expressed the opinion that England in spite of her sales of securities during the war still owns sufficient foreign securities to cover her debt to the United States two or three times over. Peoples who could achieve such results in the past will do it again.

The question of the Allied debts to the United States, might be summarized by saying that the United States was by no means an unliberal lender; has not so far proved to be a hard-hearted creditor; would be glad to talk with the debtor nations in an effort to ease the burden of their debts during the difficult times of the present, but does not feel that the present is a time to consider cancellation, nor that in view of our knowledge today cancellation can be considered as a way out.—*Extracts from Address at the Annual Banquet of the Academy of Political Science, New York City, November 24, 1922.*

D. R. Forgan

President, National City Bank of Chicago

OUR relations with foreign countries, particularly with Europe, is a subject which to me seems to have two irreconcilable sides. First, there is a debt of ten or eleven billions which cannot now be paid except by the creating of credits in this country from the sale of goods or otherwise. The people of this country will never stand for this country's being flooded with cheaply made foreign goods; and the two sides seem irreconcilable; so much so that many bankers, some of whom I have the greatest admiration for and in whom I have the greatest confidence, have advocated the cancellation of these debts. I am sorry that I cannot agree

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Albert Strauss

Former Vice-Governor of the Federal Reserve Board

AS to cancellation of European indebtedness to our government, undoubtedly it should be done some day. It cannot be done conditionally; we cannot lay down the conditions of cancellation and then undertake to judge whether or not the conditions have been fulfilled. That would lead to suspicion, recrimination and ill will. But when conditions shall have become right we can actually cancel our claims.

In the meantime, debts that are not being paid impose no burden and while we are awaiting the ripening of events, our people will have an opportunity to try out some of the preliminary errors which politically it seems necessary to test by experience.

The time for cancellation will come when Europe is about ready, through the continuation of the great efforts required during reconstruction to begin repayment and it will then hardly be profitable to debate whether we are cancelling our claims because Europe, with due regard to the standard of living of her people, cannot afford to pay, or because we, with due regard to the full employment of our workers, cannot afford to collect, because, for one thing, we shall be acting for both reasons; the same conditions that will then make it possible for Europe to begin repayments, viz: her ability to export a surplus of commodities, will make it inadvisable for us to receive payment, which will be actually made in the form of commodities.

All this is in the future. In the meantime through discussion and still more through experience we are preparing ourselves for the day when a decision will be required and time is doing the real work.—*Extracts from Speech before the American Academy of Political and Social Science, July, 1922.*

Otto H. Kahn

Kahn, Loeb & Co.

WHAT I suggest, then, is that without entangling ourselves by any "covenanted" association with the affairs of Europe we should effectively use our material and moral influence to aid in removing the causes which stand in the way of her stabilization and normalization. One of the means at our disposal toward that end is the huge indebtedness to us on the part of European nations.

I would cancel the allied war debt to America (to the extent that they are war debts) not as a free gift, but in consideration of, and return for, adequate pledges and appropriate action on the part of the nations concerned.—*Extract from Address before the Advertising Club, March 15, 1922.*

C. T. Jaffray

President, First National Bank of Minneapolis, Minn.

IAM very strongly of the opinion that in order to bring back anything like normal conditions in Europe some plan must be brought about for the cancellation of the Allied debt. This country cannot expect to collect what is owing us unless Great Britain is able to do the same thing. The debts are so interwoven that it seems to me a deal should be made of the whole thing and have it settled in a way so as to bring back normal financial conditions abroad.—*Wall Street Journal.*

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(D. R. Forgan—cont'd)

with them. I do not believe in the cancellation of debts, public or private. I do not believe in its morality. I would not cancel these foreign debts if I thought I never should collect a dollar of them.

There are two words that I want to say on that subject. First, opinions change. If anyone had told us ten years ago that those countries would owe us eleven billions of dollars, as they now do, we would have thought that that man was a fit subject for the lunatic asylum. Can any of you tell us whether we will owe them ten years hence or twenty years hence? Suppose we should get into a war. It is not unthinkable. The whole thing might be reversed. I say, therefore, what am I going to do? Enforce payment? Impossible. I would do with the Allies' debts exactly as I would with a man who was the best customer I ever had, who had always paid his bills, but who, through no fault of his own, came to me and stated he could not pay me now. I would say, "John, take all the time you want."

England, for example, has put into her budget already this year the amount of interest at 5 per cent on her four billion debt to this country. How would it do to let the interest down to 3 per cent, fund the debt at fifty years, and let the other 2 per cent wipe it out in that time? Would not that preserve the relations very much better than cancelling it? I have yet to find anyone who shows great gratitude or friendship when you let him off with a debt. I would be very much more afraid of international trouble arising out of the cancellation of these debts than by holding them over their heads; and the next time that America takes a move looking toward universal peace and calls men from those countries to Washington they will come a little quicker and they will listen with a more attentive ear if they still owe us these billions of dollars.—*Extracts from Journal of the American Bankers' Association, May, 1922.*

Charles W. Eliot

President Emeritus of Harvard University

THE remission of these debts to the United States is conceivable on the sole ground of humanity, of charity. It is also conceivable on the ground that it is the interest—enlightened or unenlightened—of the United States to do so. But these two motives are completely inconsistent. The act of remission might be due either to emotions of love and good will, or to self-interest; but not both together. Either motive excludes the other.

The conclusive objection to the remission of the debts due by the Allied Powers, Great Britain, France and Italy, is that no self-respecting nation which believes itself capable of re-establishing a practicable budget, sound currency, and the national credit could accept it; because acceptance would damage its morale.—*The Independent and Weekly Review.*

Henry M. Robinson

President, First National Bank of Los Angeles

IHAVE been and still am opposed to cancellation of debts of Allied governments to the United States. While plans of cancellation may appear reasonable to some I would ask why we should cancel inter-government debts with the result that the position of private indebtedness of nationals of various countries to nationals of other of our allies would be greatly improved, unless some method be devised for our participation in the resulting benefits? In lieu, why not defer payments of interest for five years or even longer? When interest payments begin why not have a 2% rate with some formula for gradual increase to normal and proper rate?—*Wall Street Journal.*

Public Health Legislation

Action Reported* During Past Month

H. R. 11040. *Authorizing the Sale of Marine Hospital Property at Cleveland.* Passed the House Dec. 4, 1922; reported to Senate, Dec. 9, 1922, without amendment by Committee on Public Buildings and Grounds.

This is an amendment to an act passed at the last session of Congress. By means of a change in the wording of the previous measure, this bill instructs the Secretary of Treasury after the sale of the marine hospital reservation at Cleveland to proceed to purchase a new site and erect a new hospital with the proceeds received from the sale of the old property.

S. 3588. *Protection of water supply of City of Ogden, Utah.* Passed Senate, Dec. 5, 1922; referred to the House Committee on Public Lands.

This proposed law authorizes the Secretary of the Interior to convey to the City of Ogden, Utah, certain public lands in that state for the protection of the watershed furnishing water to the city. A description of the land is contained in the bill.

H. R. 7746. *For the control of the milk supply of the District of Columbia.* Passed over on Dec. 9, 1922.

H. R. 11021. *For the prevention and control of venereal diseases in the District of Columbia.* Passed over on Dec. 9, 1922.

When a bill is passed over, it means that it comes up in its regular place on the calendar but, on objection by some member, is not acted upon and goes over until the next calendar day.

H. R. 13180. *Department of the Treasury appropriations for 1924.* Passed the House Dec. 9, 1922; passed the Senate Dec. 12, 1922.

This measure carries the appropriations for the U. S. Public Health Service which are as follows:

Office of the Surgeon General, salaries \$90,720.
Pay of commissioned officers, \$1,115,354.

Pay of acting assistant surgeons, \$300,000.

Pay of all other employees, \$840,000.

Transportation, etc., \$37,500.

Maintenance of Hygienic Laboratory, \$45,000.

Burial of officers, \$3,000.

Journals and scientific books, \$500.

Medical examinations, including medical inspection of aliens, \$4,869,-

925.

Quarantine Service, \$488,000.

Prevention of epidemics, \$335,042.

Field investigations, \$279,036.

Interstate quarantine, \$23,000.

Rural sanitation, \$50,000.

Control of biological products, \$41,500.

Maintenance of Division of Venereal Diseases, \$227,353, of which sum \$100,000 shall be allotted to the states for cooperative work in the prevention and control of such diseases.

H. R. 13316. *Departments of Commerce and Labor appropriations for 1924.* Introduced by the Committee on Appropriations Dec. 11, 1922.

This appropriation bill contains an appropriation of \$3,000,000 for the operation of the Bureau of Immigration. Other items concerning public health are an appropriation of \$106,000 for the Children's Bureau, \$120,000 to investigate matters pertaining to the welfare of children and child life. \$1,240,000 for promotion of the welfare and hygiene of maternity and infancy and \$105,000 for the operation of the Women's Bureau.

H. R. 13232. *Departments of State and Justice appropriations for 1924.* Introduced by Committee on Appropriations Dec. 7, 1922.

Appropriations pertaining to public health contained in the appropriation bills of these two departments may be summarized as follows:

International Sanitary Bureau, \$11,000.

International Office of Public Health, \$3,860.

Foreign Hospital at Cape Town, \$50.

New Bills Introduced since November 20, 1922

H. R. 13045. *Amendment for retirement of officers of the Medical Reserve Corps.* Introduced by Representative Lineberger, Nov. 27, 1922; referred to Committee on Military Affairs.

H. R. 13002. *Increase of pensions of persons disabled in the military or naval service of the United States.* Introduced by Representative Langley Nov. 24, 1922; referred to Committee on Invalid Pensions.

H. R. 12828. *To create Department of Physical Education at United States Military Academy.* Introduced by Representative Morin, Nov. 20, 1922; referred to Committee on Military Affairs.

H. J. Res. 395. *Authorizes continuation of operation of U. S. Veterans' Hospital, No. 36 at Boston, Mass.* Introduced by Representative Underhill, Nov. 27, 1922; referred to Committee on Interstate and Foreign Commerce.

S. 4047. *Readjustment of pay of chief pharmacists in the Navy.* Introduced by Senator Keyes, Nov. 22, 1922; referred to Committee on Naval Affairs.

S. 4062. *Development of Park and Playground System of the National Capital.* Introduced by Senator Ball, Nov. 23, 1922.

H. R. 13046. *Marine Hospital Reservation to be transferred to Wilmington, N. C.* Introduced by Representa-

tive Lyon, Nov. 27, 1922; referred to the Committee on Public Buildings and Grounds.

S. 4109. *Baptist National Hospital Association authorized to acquire land in Hot Springs National Park.* Introduced by Senator Robinson, Dec. 7, 1922; referred to Committee on Public Lands and Surveys.

H. R. 13272. *Granting license to Miami Beach, Fla., to construct drainage.* Introduced by Representative Sears, Dec. 8, 1922; referred to the Committee on Public Lands.

H. R. 13127. *Defining intoxicating liquor.* Introduced by Representative O'Brien, Dec. 4, 1922; referred to the Committee on the Judiciary.

H. R. 13318. *Provides development of park and playground system for National Capital.* Introduced by Representative Langley, Dec. 11, 1922; referred to the Committee on Public Buildings and Grounds.

H. R. 13298. *Extends the War Risk Insurance act and all its provisions to include all disabled veterans of all wars of the United States and their dependents.* Introduced by Representative Johnson of South Dakota.

S. 4142 (a duplicate of H. R. 13298 above). Introduced by Senator Brookhart.

H. R. 13126. *Amends a section of the War Risk Insurance Bureau dealing with the beneficiaries of lapsed insurance policies to be paid by the U. S. Veterans' Bureau.* Introduced by Representative Brennan.

*Courtesy of National Health Council's Bi-weekly Summary.

Congress Day By Day

Principal Action on the Floor of the Senate and House Nov. 20, 1922-Dec. 16, 1922

(Exclusive of debate, bills or resolutions introduced, and committee reports)

The third session of the 67th Congress convened on November 20th, in pursuance of the proclamation of the President of the United States, which declared that public interests require that the Congress should be convened in extra session.

Monday, November 20, 1922

SENATE:

Adjourned as a mark of respect for the late Sen. Watson of Ga.

HOUSE:

Adjourned as a mark of respect for the late Sen. Watson of Ga.

Tuesday, November 21, 1922

SENATE:

Attended a joint session in the hall of the House to hear the President read his special message urging enactment of the Ship subsidy bill.

Mrs. W. H. Felton, (Dem. Ga.) was sworn in as a Senator by appointment to fill the vacancy caused by the death of Sen. Watson and served for one day.

Senators Pepper and Reed (Reps. Penn.) and Sen. Bayard (Rep. Del.) were sworn in.

The letter of resignation of Sen. Newberry (Rep. Mich.) was laid before the Senate.

Sen. Ransdell (Dem. La.) denied published reports of crime and lawlessness in his State, as a result of the Ku Klux Klan operations.

HOUSE:

President Harding read his message before a joint session of the Senate and House, urging enactment of the Ship subsidy bill, for which the special session had been called.

Wednesday, November 22, 1922

SENATE:

Mrs. W. H. Felton, of Georgia, made a brief address and witnessed the swearing in of her successor, Sen. Walter F. George (Dem. Ga.).

Passed (H. R. 12859) to provide for certain expenses incident to the third session of the 67th Congress. Public Law No. 365.

Sen. Ladd (Rep. N. Dak.) gave a prepared speech on farm credit legislation.

Sen. Caraway (Dem. Ark.) attacked the Administration for calling Congress together in extra session to pass the Ship subsidy bill.

The Newberry case was revived briefly.

HOUSE:

Repr. Aswell (Dem. La.) assailed Gov. Parker of that State for his appeal to the Federal Government for assistance in putting down lawlessness and the Ku Klux Klan.

Voted to give the right of way to the Ship subsidy bill.

Thursday, November 23, 1922

SENATE:

The speeches in this country of former Premier Clemenceau were the cause of heated debate by Senators Hitchcock (Dem. Nebr.), Borah (Rep. Idaho), Sterling (Rep. So. Dak.) and Spencer (Rep. Mo.) and revived many of the issues of the League of Nations.

Sen. Capper (Rep. Kans.) discussed the question of transportation rates as they affect the producers of the West.

Sen. Simmons (Dem. N. Car.) spoke in opposition to the Liberian Loan bill.

HOUSE:

Debated the Ship subsidy bill. Rep. Greene (Rep. Mass.) chairman of the committee which framed the measure, and Rep. Edmonds (Rep. Pa.) made the principal arguments in support of the bill.

Rep. Bankhead (Dem. Ala.) attacked the bill and Rep. Watson (Rep. Pa.) defended it.

Friday, November 24, 1922

SENATE:

Discussed the Liberian Loan bill. Adopted an amendment to the Liberian Loan bill authorizing employment by the Interstate Commerce Commission of 35 additional locomotive boiler inspectors.

Agreed to vote on the Liberian \$5,000,000 Loan bill, not later than 2.30 o'clock Monday next.

HOUSE:

Debated the Ship subsidy bill.

Saturday, November 25, 1922

SENATE:

Not in session.

HOUSE:

Continued general debate on the Ship subsidy bill.

Monday, November 27, 1922

SENATE:

Rejected, by recommitting without instruction (H. J. Res. 270), authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia.

Passed (S. 4036) to prohibit the unauthorized wearing, manufacture or sale of medals and badges awarded by the War Department. Referred to House Committee on Military Affairs.

Passed (S. 4025) to permit Mahlon Pitney, an Associate Justice of the Supreme Court of the United States, to retire. Referred to House Committee on the Judiciary.

Sen. Hitchcock (Dem. Nebr.) continued his speech in reply to statements made in his public addresses in this country by former Premier Clemenceau. Sen. Myers (Dem. Mont.) defended Clemenceau. Sen. Owen (Dem. Okla.) attacked Clemenceau and the French policy.

HOUSE:

Continued debate on the Ship subsidy bill, adopting and rejecting amendments.

Tuesday, November 28, 1922

SENATE:

Democratic Senators filibustered against the Dyer Anti-lynching bill. Sen. Underwood (Dem. Ala.) in a speech notified leaders that if they insisted upon keeping the measure before the Senate its opponents would prevent enactment of any business whatsoever.

HOUSE:

Continued general debate on the Ship subsidy bill, adopting certain amendments, and voting down others.

Wednesday, November 29, 1922

SENATE:

Democratic Senators continued their filibuster against the Dyer Anti-lynching bill.

HOUSE:

Passed after general debate, the Ship subsidy bill (H. R. 12817) to amend and supplement the Merchant Marine act of 1920. Referred to Senate Committee on Commerce.

Friday, December 1, 1922

SENATE:

Democratic Senators started further filibustering against the Dyer Anti-lynching bill, when the death of Rep. Mann was announced and the Senate adjourned as a mark of respect to the late Representative from Illinois.

HOUSE:

Adjourned out of respect to the memory of Rep. James R. Mann of Illinois.

Saturday, December 2, 1922

SENATE:

Democratic Senators continued their filibuster against the Dyer Anti-lynching bill.

Sen. Smith W. Brookhardt (Rep. Iowa) was sworn in as a Senator from Iowa, to fill the vacancy caused by the resignation of Senator Kenyon.

HOUSE:

Funeral services for Rep. James R. Mann, of Illinois, were conducted in the hall of the House.

THE CONGRESSIONAL DIGEST

Monday, December 4, 1922

SENATE:

Met at 10.00 A. M. and concluded the business of the special session, reconvening again in the fourth session at noon and adjourning at 12.08 P. M.

SPECIAL SESSION

Senator Lodge announced that the Republican Leaders had decided not to press the Dyer Anti-lynching bill further at the coming session.

FOURTH SESSION

The first Monday in December being the day prescribed by the Constitution of the United States for the annual meeting of Congress, the fourth session of the Sixty-seventh Congress convened this day.

Agreed to the following resolutions:

(S. Res. 371) *Resolved*, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed with business.

(S. Res. 372) *Resolved*, That a committee consisting of two Senators be appointed to join such committee as may be appointed by the House of Representatives, to wait upon the President of the United States and inform him that a quorum of each House is assembled and that Congress is ready to receive any communication he may be pleased to make.

HOUSE:

Met at 11 A. M. and concluded the business of the special session and convened again in regular session at noon and adjourned at 2:50 P. M.

SPECIAL SESSION

Passed (S. 3195) to authorize the Secretary of the Interior to accept completion of Carey segregation No. 11, State of Colorado, and to issue patent therefor.

Passed (H. R. 11040) to amend an act entitled "An act authorizing the sale of the marine hospital reservation in Cleveland, Ohio. Referred to Senate Committee on Public Buildings and Grounds.

Passed (S. 3295) to consolidate the work of collecting, compiling, and publishing statistics of the foreign commerce of the United States in the Department of Commerce.

Passed (H. R. 12174) to authorize the Attorney General to convey certain land of the United States to Fulton County, Ga., to widen McDonough Road in front of the United States penitentiary. Referred to Senate Committee on Public Lands and Surveys.

Passed (S. 4025) to permit Mahlon Pitney, an Associate Justice of the Supreme Court of the United States, to retire. Approved December 11, 1922. Public Law No. 367.

FOURTH SESSION

Agreed to the following resolutions:

(H. Res. 459) *Resolved* that the clerk of the House inform the Senate that a quorum of the House of Representatives has appeared and that the House is ready to proceed with business.

(H. Res. 458) *Resolved* that a committee of three members be appointed by the Speaker on the part of the House of Representatives to join with the committee on the part of the Senate to notify the President of the United States that a quorum of each House is assembled, and that Congress is ready to receive any communication that he may be pleased to make.

Tuesday, December 5, 1922

SENATE:

Passed (S. J. Res. 138) authorizing the payment of the cost of transportation for certain supplies purchased by the Military Establishment.

Passed (S. 2390) to redistribute the number of officers in the several grades of the Supply Corps of the Navy. Referred to House Committee on Naval Affairs.

Passed (S. 3136) to amend the act entitled An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of District of Columbia. Referred to House Committee on District of Columbia.

Passed (S. 3962) to prohibit the sending of threatening letters throughout the mails and for other purposes. Referred to House Committee on Post Office and Post Roads.

Passed (H. R. 8996) to amend section 5211 of the Revised Statutes of the United States. (Reports of National Banking Associations.)

HOUSE:

Adjourned early because of the absence of members interested in the Migratory bird bill, which was to be taken up.

Passed (H. R. 8062) amending subdivision (5a) of section 302 of the War Risk Insurance Act which increased the compensation of attendants of armless, legless or blind former service men from \$20 to \$50.

Wednesday, December 6, 1922

SENATE:

Discussed the Migratory bird bill.

Passed (S. 4037) specifying grade percentage of enlisted men. Referred to House Committee on Military Affairs.

Passed (S. 1452) providing for establishing shooting grounds for the public, for establishing game refuges and breeding grounds, for protecting migratory birds, and requiring Federal license to hunt them. Referred to House Committee on Agriculture.

Sen. La Follette (Rep. Wis.) in a speech attacked the proposed meat packer merger.

Adopted (S. Res. 364) submitted by Sen. La Follette calling upon the Secretary of Agriculture for full information regarding the proposed packer merger.

HOUSE:

Passed (H. R. 10531) to distribute the commissioned line and engineer officers of the Coast Guard grades. Referred to Senate Committee on Commerce.

Thursday, December 7, 1922

SENATE:

James Couzens, appointed by the Governor of Michigan to succeed to the seat vacated by the resignation of Sen. Truman Newberry, was sworn in.

Sen. Heflin (Dem. Ala.) spoke in favor of the Ford offer for Muscle Shoals. Sen. Norris (Rep. Nebr.) condemned the Ford offer.

HOUSE:

Debated the Treasury Department Appropriation bill.

The resignation of Rep. Millsbaugh (Rep. Mo.) was presented, Mr. Millsbaugh having accepted appointment as commissioner of finance of his state.

Friday, December 8, 1922

SENATE:

Attended a joint session in the hall of the House to hear the President of the United States deliver his annual message.

HOUSE:

President Harding read his annual message before a joint session of the Senate and House.

Considered the Treasury Department Appropriation bill.

Saturday, December 9, 1922

SENATE:

Confirmed, in executive session, a long list of postmasters.

Passed (S. 3593) bill to authorize the exchange of lands with owners of private land holdings within the Glacier National Park. Referred to House Committee on Public Lands.

HOUSE:

After a heated debate over the provision in the Treasury Appropriation bill, authorizing the Bureau of Engraving and Printing to install power presses, which is expected to result in a reduction of something more than 200 plate printers and their assistants, passed the Treasury Appropriation bill (H. R. 13180). Referred to Senate Committee on Appropriations.

Monday, December 11, 1922

SENATE:

Democratic opponents began their fight on the ship subsidy bill; the reading of the bill in full was demanded.

Passed (S. 4109) a bill to amend section 9 of the trading with the enemy act as amended, granting an extension of time.

Passed (H. R. 11040) to amend an act entitled "An act authorizing the sale of the marine hospital reservation in Cleveland, Ohio."

Democratic opponents began their fight on the ship subsidy measure.

Adopted a resolution by Sen. Hitchcock (Dem. Nebr.) asking the State Department for information as to what nations signatory to the arms conference has ratified the agreements reached and when.

Confirmed nominations of members of the fact finding coal commission.

HOUSE:

Considered Departments of State and Justice Appropriation bill. (H. R. 12322.)

THE CONGRESSIONAL DIGEST

Tuesday, December 12, 1922

SENATE:

Passed bill (H. R. 13180) making appropriations for the Treasury Department for the fiscal year ending June 30, 1924. The measure provides for the substitution of power for hand presses in the Bureau of Engraving and Printing.

Sen. Jones (Rep. Wash.) in charge of the Ship-subsidy measure, began his speech in support of the bill.

HOUSE:

Passed bill (H. R. 13232) making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1924.

Considered Departments of Commerce and Labor Appropriation bill.

Wednesday, December 13, 1922

SENATE:

Debated the ship subsidy measure.

Sen. Jones (Rep. Wash.) concluded his arguments in support of the Ship subsidy bill. Sen. Fletcher (Dem. Fla.) opened his attack on the bill.

HOUSE:

Passed bill (H. R. 13316) making appropriations for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1924. Referred to Senate Committee on Appropriations.

Thursday, December 14, 1922

SENATE:

Debated the Ship subsidy measure.

Sen. Fletcher (Dem. Fla.) concluded his speech in opposition to the bill.

Passed bill (H. R. 13232) making appropriations for the Departments of State and Justice for the fiscal year ending June 30, 1924.

HOUSE:

Debated the Naval Appropriation bill.

Friday, December 15, 1922

SENATE:

Passed bill (H. R. 13316) making appropriations for the Departments of Commerce and Labor for the fiscal year ending June 30, 1924. Sent to conference.

Debated the Ship-subsidy bill. Sen. La Follette (Rep. Wis.) spoke in opposition to the bill and Sen. Fletcher (Dem. Fla.) submitted additional data in support of his arguments against the bill.

HOUSE:

Adopted a resolution unseating Thomas W. Harrison (Dem. W. Va.) on the ground of irregularities in the 1920 election and adopted a resolution seating John Paul (Rep. W. Va.).

Saturday, December 16, 1922

SENATE:

Debated the Ship subsidy bill. Sen. McKellar (Dem. Tenn.) spoke in opposition to the bill.

Debated relief of agricultural conditions.

Adopted a resolution authorizing the Secretary of War to distribute army supplies among the fire victims at Astoria, Ore., and to take charge of sanitary conditions.

HOUSE:

Considered bill (H. R. 13374) the naval appropriation bill.

Adopted a resolution requesting the President to negotiate with foreign powers relative to limiting construction of war craft of 10,000 tons or less.

Rejected an amendment to the naval bill under which it was sought to reduce the enlisted force.

Committee Action

November 20, 1922—December 16, 1922

Committees of the Senate

Committee on Agriculture and Forestry

Chairman, Hon. George W. Norris, Nebr. *Clerk*, Mabelle J. Talbert.
Meets Tuesdays.

BILLS REPORTED:

S. 4050—"To provide for the purchase and sale of farm products." Introduced by Sen. Norris, Nebr., Nov. 22, 1922. Hearings on bill were held during the previous week. Reported Dec. 15, 1922.

Committee on Banking and Currency

Chairman, Hon. George P. McLean, Conn. *Clerk*, W. H. Sault.
Meets on Call of Chairman.

BILLS REPORTED:

S. 4096—"To authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the enunciation of the Monroe doctrine." Introduced by Sen. Johnson, Calif., Dec. 5, 1922. Reported Dec. 11, 1922.

HEARINGS

S. 4103—"To provide credit facilities for the agricultural and livestock industries of the United States; to amend the Federal Farm Loan Act; to amend the Federal Reserve Act; and for other purposes." Introduced by Sen. Lenroot, Wis., Dec. 6, 1922.

S. 4063—"To provide credit facilities for the agriculture and livestock industries of the U. S.; to amend Federal Reserve Act; to amend Federal Farm Loan Act; to stabilize the market for U. S. bonds and other securities; to provide fiscal agents for the U. S. and for other purposes." Introduced by Sen. Capper, Kans., Nov. 23, 1922.

S. 4103—"To amend Sections 3-4-6-9-12-15 of Act of Congress approved July 17, 1916, known as Federal Farm Loan Act." Introduced by Sen. Norbeck, S. D., Dec. 9, 1922. Hearings on these bills began Dec. 12, 1922, and will continue indefinitely.

Committee on Commerce

Chairman, Hon. Wesley L. Jones, Wash. *Clerk*, James H. Davis.
Meets Tuesdays.

BILLS REPORTED:

S. 4031—"Authorizing construction of a bridge across the Little Calumet River, Cook County, Ill." Introduced by Sen. McKinley, Ill., Nov. 21, 1922. Reported Dec. 14, 1922, and passed.

S. 4032—"Granting consent of Congress to State of Illinois to construct, maintain and operate a bridge and approaches thereto across the Kankakee River, Kankakee County, Ill." Introduced by Sen. McKinley, Nov. 21, 1922. Reported Dec. 14, 1922, and passed.

S. 4033—"For the same purpose as S. 4032. Introduced by Sen. McKinley, Nov. 21, 1922. Reported Dec. 14, 1922, and passed.

S. 4069—"Authorizing the construction of a railroad bridge across the Colorado River near Yuma, Arizona." Introduced by Sen. Shortridge, Calif., Nov. 27, 1922. Reported Dec. 14, 1922, and passed.

H. R. 12817—"To amend and supplement the Merchant Marine Act, 1920, and for other purposes" (Ship subsidy bill). Introduced by Rep. Greene, Mass., Nov., 21, 1922. Reported Dec. 9, 1922.

Committee on Foreign Relations

Chairman, Hon. Henry Cabot Lodge, Mass. *Clerk*, Charles F. Redmond.
Meets on Call of Chairman.

ORDERED TO BE REPORTED:

Treaty with Isle of Pines (Ex. J. 58). Submitted to Senate in 1904. Order to be reported Dec. 6, 1922.

Committee on Immigration

Chairman, Hon. Le Baron B. Colt, R. I. Clerk, Henry M. Barry.

Meets on Call of Chairman.

HEARINGS:

S. 4092—"Admits refugees from the Near East who have relatives in this country." Introduced by Sen. Keyes, N. H., Dec. 5, 1922. Beginning December 20, hearings will be held by sub-committee consisting of Sen. Sterling, S. D., Chairman, Sen. Harris, Ga., and Sen. Reed, Pa.

S. J. Res. 252—"Refugees from Thrace or Asia Minor may be admitted if otherwise admissible notwithstanding the limitation of the number of aliens admitted in same month or fiscal year." Introduced by Sen. Walsh, Mass., Dec. 5, 1922.

Committee on Interstate Commerce

Chairman, Hon. Albert B. Cummins, Ia. Clerk, Paul H. Moore.

Meets on Call of Chairman.

HEARINGS:

H. R. 10598—"To prevent the use of the U. S. Mails and other agencies of interstate commerce for transporting and for promoting or procuring the sale of securities contrary to the laws of the States, and for other purposes, and providing penalties for the violation thereof" (Blue sky bill). Introduced by Rep. Denison, Ill., Apr. 20, 1922.

Committee on Judiciary

Chairman, Hon. Knute Nelson, Minn. Clerk, Simon Michelet.

Meets Mondays.

BILLS REPORTED:

S. 4100—"Amending sec. 9 of the Trading with the Enemy Act as amended." Introduced by Sen. Nelson, Minn., Dec. 5, 1922. Reported Dec. 11, 1922, and passed.

S. 4025—"To permit Mahlon Pitney, an Associate Justice of the Supreme Court of the United States to retire." Reported Nov. 27, 1922, and passed Senate. Passed House Dec. 4, 1922. Approved by President Dec. 11, 1922. Public law No. 367.

Committees of the House

Committee on Appropriations

Chairman, Hon. Martin B. Madden, Ill. Clerk, Marcellus C. Sheild.

Meets on Call of Chairman

BILLS REPORTED:

H. R. 13180—"A bill making appropriations for the Treasury Department for the fiscal year ending June 30, 1924, and for other purposes." Reported by Repr. Madden, Ill. Committed to the Committee of the Whole House on the state of the Union December 6, 1922.

H. R. 13232—"A bill making appropriations for the Departments of State and Justice and for the Judiciary for the fiscal year ending June 30, 1924, and for other purposes." Reported by Repr. Husted, N. Y., Chairman Subcommittee Departments of State and Justice, and committed to the Committee of the Whole House on the state of the Union Dec. 7, 1922.

H. R. 13316—"A bill making appropriations for the Departments of Commerce and Labor for the fiscal year ending June 30, 1924, and for other purposes." Reported by Repr. Shreve, Pa., Chairman Subcommittee, Departments of Commerce and Labor and committed to the Committee of the Whole House on the state of the Union Dec. 11, 1922.

H. R. 13374—"A bill making appropriations for the Navy Department and the Naval Service for the fiscal year ending June 30, 1924, and for other purposes." Reported by Repr. Kelley, Mich., Chairman Subcommittee on Navy Department and committed to the Committee of the Whole House on the state of the Union Dec. 13, 1922.

HEARINGS:

Appropriations for the Departments of Agriculture, Interior, Army, Post Office, the Independent Offices and the District of Columbia.

It is probably that the end of the week beginning Dec. 18 will find the hearings on all of these bills completed. The only additional bill before the committee will then be the Legislative, Judicial and Executive Bill. The rapidity with which the appropriation bills have been prepared and reported to the House this year is unprecedented and is due to the indefatigable work of the members of the Appropriations Committee. Instead of continuing work on appropriation bills up to March 4th as is usual in the short session of Congress, the Committee and the House expect to pass them all within the next few weeks.

Committee on Military Affairs

Chairman, Hon. James W. Wadsworth, Jr., N. Y. Clerk, Raymond E. Devendorf.

Meets Fridays.

BILLS REPORTED:

S. J. Res. 250—"To donate to the Veterans of Foreign Wars of the United States certain trophies captured by or surrendered to the armed forces of the United States in the World War." Introduced by Sen. Wadsworth, N. Y., Dec. 4, 1922. Reported Dec. 11, 1922.

S. 4036—"To prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department." Introduced by Sen. Wadsworth, Nov. 23, 1922. Reported Nov. 27, 1922, and passed.

S. 4037—"To amend the grade percentages of enlisted men as prescribed in section 4b of the National Defense Act, as amended." Introduced by Sen. Wadsworth, Nov. 21, 1922. Reported Dec. 4, 1922, and passed.

HEARINGS:

S. 4151—"To permit certain persons to make purchases in the Quartermaster Departments of the Army and Navy." Introduced by Sen. Brookhart, Ia., Dec. 12, 1922.

Committee on Pensions

Chairman, Hon. Holm O. Bursum, N. M. Clerk, John A. Happer.

Meets Tuesdays.

BILLS REPORTED:

S. 3275—"To increase pensions to soldiers, etc., of the Civil and Mexican wars." Introduced by Sen. Bursum, N. M., March 13, 1922. Reported Sept. 8, 1922, and passed. Sent to conference Dec. 11, 1922.

Committee on Public Lands and Surveys

Chairman, Hon. Reed Smoot, Utah. Clerk, Parley P. Eccles.

Meets Wednesdays.

BILLS REPORTED:

S. 2934—"Issuance of land patent to John W. Stanton." Introduced by Sen. Myers, Mont., Jan. 6, 1921. Reported Dec. 11, 1922, and passed.

HEARINGS:

S. 3828—"To authorize the Secretary of the Interior to issue oil and gas permits and leases to persons equitably entitled thereto and for other purposes." Introduced by Sen. Harrel, Okla., July 14, 1922.

Committee on Agriculture

Chairman, Hon. Gilbert N. Haugen, Ia. Clerk, L. G. Haugen.

Meets on Call of Chairman.

BILLS REPORTED:

H. R. 12790—"Authorizing the publication of information presented at the World's Dairy Congress to be held in the United States during Oct. 1923." Introduced by Rep. Haugen, Ia., Sept. 22, 1922. Reported Dec. 16, 1922.

HEARINGS:

Hearings were held on Dec. 14, 15, and 16, 1922 and others are scheduled for the week beginning Dec. 18, on a number of bills which have been referred to this committee on the general subject of stabilizing prices on farm products. Most of these bills provide that the United States shall purchase surplus wheat at a set price for sale to foreign nations.

Committee on Foreign Affairs

Chairman, Hon. Stephen G. Porter, Pa. Clerk, Edmund F. Erk.

Meets on Call of Chairman.

HEARINGS:

H. R. 12543—"For the reorganization and improvement of the Foreign Service of the United States, and for other purposes." Introduced by Rep. Rogers, Mass., Sept. 1, 1922. Hearings scheduled for Dec. 19, 1922.

H. R. 9634—"For the creation of an American Memorial Highway Commission for France and Belgium to designate roads over which Americans marched to victory and to secure the erection of historical rosters of American divisions engaged and other appropriate memorials thereon." Introduced by Rep. Husted. Hearings soon.

H. R. 10801—"For the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe." Introduced by Rep. Porter. Hearings held on Nov. 28, Dec. 7, 9, 1922. No others scheduled.

THE CONGRESSIONAL DIGEST

Committee on Immigration and Naturalization

*Chairman, Hon. Albert Johnson, Wash. Clerk, P. F. Snyder.
Meets Thursdays.*

HEARINGS:

H. R. 13269—"To permit the admission into the United States of refugees from Turkish territories." Introduced by Rep. White, Kans. Dec. 8, 1922. Hearings in progress.

H. R. 13300—"To facilitate commerce by prescribing overtime rates to be paid by transportation lines for inspection of arriving passengers and crews." Introduced by Rep. Bond, N. Y., Dec. 9, 1922. Hearings scheduled for week beginning Dec. 18, 1922.

Committee on Indian Affairs

*Chairman, Hon. Homer P. Snyder, N. Y. Clerk, H. E. Devendorf.
Meets Thursdays.*

BILLS REPORTED:

H. R. 13128—"Authorizing an appropriation for the construction of a road within the Fort Apache Indian Reservation, Arizona." Introduced by Rep. Hayden Dec. 4, 1922. Ord.-red reported Dec. 13, 1922, but not yet reported.

H. R. 13235—"To amend the Indian Appropriation Act of Feb. 14, 1920, in so far as the same relates to the collection of fees for determining the heirs and approval of will of deceased Indians." Introduced by Rep. Snyder, N. Y., Dec. 7, 1922. Reported Dec. 14, 1922.

HEARINGS:

S. 3519—"Defining the rights of the Mescalero Apache Indians in the Mescalero Indian Reservation, providing for an allotment of certain lands therein in severalty to the Mescalero Apache Indians, and creating and defining All Year National Park, and for other purposes." Introduced by Sen. Bursum. Passed the Senate April 20, 1922. Hearings held Dec. 14, 1922. Further hearings scheduled for Jan. 11, 1923.

H. R. 10328—"To amend the Act of March 3, 1921, entitled, 'An Act for the division of the lands and funds of the Osage Indians in Oklahoma, and for other purposes.'" Introduced by Rep. Snyder, Feb. 8, 1922. Hearings scheduled to begin Jan. 8, 1923.

Committee on Interstate and Foreign Commerce

*Chairman, Hon. Samuel E. Winslow, Mass. Clerk, E. J. Layton.
Meets on Call of Chairman.*

BILLS REPORTED:

S. 4100—"To amend section 9 of the Trading with the Enemy Act as amended." Introduced by Sen. Nelson, Minn. Passed Senate Dec. 11, 1922. Reported Dec. 15, 1922.

H. R. 13139—"Granting the consent of Congress to the Great Southern Lumber Company, a corporation of the State of Pennsylvania doing business in the State of Mississippi, to construct a railroad bridge across Pearl River at approximately one and one-half miles north of Georgetown, in the State of Mississippi." Introduced by Rep. Johnson, Miss., Dec. 4, 1922. Reported Dec. 16, 1922.

HEARINGS:

H. R. 10945—"To repeal an Act to authorize the Central Railroad Company of New Jersey to construct a bridge across the navigable waters of the Newark Bay, in the State of New Jersey, approved August 8, 1919." Introduced by Rep. Lehlbach, N. J. Mar. 17, 1922. Hearings held Dec. 15, 16 and scheduled for Dec. 17, 1922.

Committee on Insular Affairs

*Chairman, Hon. Horace M. Towner, Ia. Clerk, H. E. Morrison.
Meets on Call of Chairman*

BILLS REPORTED:

S. 3617—"A bill to fix the salaries for Auditor and Deputy Auditor of the Philippine Islands." Introduced by Sen. New. (Ind.) Passed Senate Sept. 9, 1922. Hearings held Dec. 8, 1922. Reported Dec. 15, 1922.

Committee on Invalid Pensions

*Chairman, Hon. Charles E. Fuller, Ill. Clerk, Frank T. Moran.
Meets on Call of Chairman*

BILLS REPORTED:

S. 3275—"Granting pensions and increase of pensions to certain soldiers and sailors of the Civil and Mexican Wars and to certain widows, former widows, minor children, and helpless children of said soldiers and sailors, and to widows of the War of 1812." Introduced by Sen. Bursum, March 13, 1922. Passed the Senate Sept. 9, 1922. Reported Nov. 25, 1922, and passed the House Dec. 4. Now in conference.

Committee on the Judiciary

*Chairman, Hon. Andrew J. Volstead, Minn. Clerk, Guilford S. Jameson.
Meets on Tuesdays and Thursdays*

BILLS REPORTED:

S. 4025—"To permit retirement of Mahlon Pitney, an Associate Justice of the U. S. Supreme Court." Reported Nov. 29, 1922. Passed House Dec. 4, approved Dec. 11. Public law No. 367.

HEARINGS:

H. R. 425—"For the investigation of the impeachment of the Attorney General of the United States." Introduced by Repr. Keller on Sept. 11, 1922. Hearings began Dec. 11 and are still in progress.

H. R. 12123—"For the establishment of an industrial reformatory at Camp Grant, Ill." Introduced by Repr. Foster, June 22, 1922. Hearings held Nov. 29, Dec. 1 and 11, 1922.

Committee on Merchant Marine and Fisheries

*Chairman, Hon. William S. Greene, Mass. Clerk, R. G. deTonnancour.
Meets on Thursdays*

HEARINGS:

H. R. 12830—"To forbid the payment of claims by the United States Shipping Board and for the United States Shipping Board Emergency Fleet Corporation unless such claims are filed within a certain time." Introduced by Repr. Madden, Nov. 20, 1922. Hearings to begin Dec. 19, 1922.

Committee on Military Affairs

*Chairman, Hon. Julius Kahn, Calif. Clerk, H. F. Sedgwick.
Meets on Tuesdays and Thursdays.*

BILLS REPORTED:

S. 4037—"To amend the grade percentages of enlisted men as prescribed in Section 4b of the National Defense Act, as amended." Introduced by Sen. Wadsworth, N. Y. Passed the Senate Dec. 6, 1922. Reported Dec. 15, 1922.

HEARINGS:

H. R. 12389—"To amend Public, Numbered 259, 67th Congress, approved June 30, 1922." Introduced by Rep. Cullen, N. Y. Aug. 30, 1922. Hearings held Dec. 15 before Sub-committee No. 7, Rep. Kearns, Ohio, Chairman.

H. R. 12410—"To authorize the Secretary of War to reinstate warrant officers of the Army Mine Planter Service." Introduced by Rep. Hogan N. Y., Aug. 23, 1922. Hearings held Dec. 15 before Sub-committee No. 7. The object of H. R. 12389 and H. R. 12410 is to give relief to warrant officers in the Mine Planter Service, who were discharged as the result of the Army Appropriation Act for the fiscal year 1923. It is probable that the Sub-committee will prepare another bill to accomplish this result.

H. R. 13326—"In reference to a national military park at Yorktown, Va." Introduced by Rep. Newton, Minn., Dec. 11, 1922. Hearings held Dec. 12, 1922.

Committee on Naval Affairs

*Chairman, Hon. Thomas S. Butler, Pa. Clerk, Frank A. Byron.
Meets on Tuesdays and Fridays.*

BILLS REPORTED:

H. Res. 457—Requesting the Secretary of the Navy to furnish to the House of Representatives certain information regarding the scrapping of vessels of war. Introduced by Rep. Frothingham, Dec. 1. Reported Dec. 12.

HEARINGS:

H. R. 10967—"To relieve unemployment among civilian workers of the Government, to remove the financial incentives to war, to stabilize production in federal industrial plants, to promote the economical and efficient operation of these plants, and for other purposes." Introduced by Rep. Hull, Ia. Hearings were held Nov. 28 and 29, 1922 before Sub-committee on Yards and Docks, Rep. Britten, Ill., Chairman.

Committee on Public Lands

*Chairman, Hon. N. J. Sinnott, Oregon. Clerk, George A. Hossick.
Meets on Tuesdays.*

HEARINGS:

H. R. 11549—"Authorizing the conservation, production and exploitation of helium gas, a mineral resource pertaining to the national defense, and to the development of commercial aeronautics, and for other purposes." Introduced by Rep. Kahn, Calif., May 4, 1922. Hearings held Dec. 5, 8, 9, 12, 14, 1922.

Notes on Foreign Governments

By ANNIE M. HANNAY

Those notes will be continued from month to month and when the Foreign Parliaments are in session a review of current legislation in the largest countries will be given.

Additional detailed information in regard to foreign governments may be procured through the CONGRESSIONAL DIGEST Information Service for a nominal charge.

Questions and answers will be published from time to time in this Department. Address your inquiries to Foreign Department, CONGRESSIONAL DIGEST, Munsey Bldg., Washington, D. C.—*Editor's Note.*

(Countries listed alphabetically)

Denmark

Constitutional Monarchy

King—Christian X, May 14, 1912.

President of Council and Minister of Finance—M. Neergaard, May 4, 1920.

The Neergaard Ministry was reconstructed after a cabinet crisis in the second week of October, 1922.

EXECUTIVE POWER

The executive power is vested in the King and exercised by the ministers, ten in number, forming the State Council. The ministers are individually and collectively responsible for their acts. They may sit in either house of parliament, but can only vote in the chamber of which they are members.

LEGISLATIVE POWER

The legislative power is vested in the King and the parliament or Rigsdag, composed of two bodies, the Folketing (House of Representatives) and the Landsting (Senate). The Rigsdag meets every year on the first Tuesday in October. Members living in the capital receive 6,000 Kroner

(about \$1608) a year, and those whose homes are not in the capital receive 8,000 Kroner (about \$2,144).

Folketing—The Folketing is composed of 149 members, 117 are elected by proportional representation in 23 districts, and 31 additional seats are divided among the parties that have received too few representatives at the other polls in proportion to their number of votes. One member is elected from the Faroe Islands. The Folketing is elected for four years, but the King may dissolve it earlier. All men and women of 25 with a fixed place of residence have the vote and are eligible for election.

Landsting—The Landsting is composed of 76 members, 56 are indirectly elected in the large districts by the method of proportional representation, 19 are elected by the retiring Landsting according to the same principles. One member is elected from the Faroe Islands. The members of the Landsting are elected for eight years. Half of those chosen by the electors are elected every fourth year. Those elected by the Landsting all go out together after eight years.

France

Notes on the form of government of France were printed in the November issue

Parliamentary Debates

CHAMBER OF DEPUTIES

October 12, 1922—First meeting of extraordinary session. Criticism of the government by M. Margaine on two points. The non-conciliatory policy of France towards the Slav element in Europe has prevented the consolidation of the new countries of Central Europe, while France's attitude towards the provinces taken from Germany has tended to bring them into closer touch with Germany.

Criticism of France's so-called desertion of England at Chanak refuted and explained by M. Poincare.

Reparations, actual State of Europe, conditions of a lasting peace discussed by M. Albert-Favre. According to him the need and desire of France for peace, her economic interest, the recovery of business and of the rate of exchange, the necessity for the reconstruction of Europe are all pushing France towards a commercial alliance with Germany.

Interpellation by M. Lobet concerning the eight-hour day for railway employees which has been interpreted by the decree of September 10 to mean 8 hours of actual work and not merely 8 hours of attendance.

October 13—Discussion of eight-hour day in merchant marine service. On September 7, 1922, the Council of Ministers approved the draft decree submitted by M. Rio, Under-Secretary of State for the merchant marine, amending the regulations governing conditions of labor in the merchant marine. A maximum of 8 hours is fixed for heavy work in the engine room, while 12 hours duty on deck is considered equivalent to 8 hours of actual work.

Interpellation by M. Marcel Hebert on the foreign policy of the government. Germany is preparing for another war. Propaganda of hatred for France is being carried on among the youth of Germany. To resist this peril France must have a strong, well-equipped army and a well-guarded frontier. Hence Germany must be made to pay at least what was guaranteed by the peace treaty. If she cannot pay in money she must pay in kind.

October 17—Discussion as to whether to make retroactive the laws of 1916 and of 1919 with regard to the punishment of profiteering, or to let cases that have not yet been punished drop when the laws expire on October 23, 1922. Discussion to be continued.

October 18—Adoption of a resolution recommending that compartments be reserved on all railways for the use of mothers and nurses with children under 2 years of age.

October 19—Continuation of debate on profiteering. Bill passed making laws of 1916-1919 retroactive in cases discussed.

October 20—Debate on reparations. M. Paul Reynaud urges alliance of French and German industrial interests. The two countries are complementary. Germany has the coal and France the minerals.

October 24—Discussion on the budget. M. Bokanowski of the Finance Commission points out that the budget of 1913 amounted to 5,000,000,000 francs and it balanced, while the budget of 1923 amounts to 23,000,000,000 francs and there is a deficit. Expenses for 1923 are estimated at 23,000,000,-

France—cont'd

000 francs, receipts at 19,000,000,000 francs. The deficit is therefore 4,000,000,000 francs in round numbers. He argues that the public debt is increasing and that it will be increased in 1923 by 31,700,000,000 francs. The internal debt amounted to 253,000,000,000 francs on August 31, 1922. 90,000,000,000 francs were to have been paid by Germany to repair war damage. France has had to borrow this money. Besides the ordinary budget there has been since 1920, a special budget to be covered by the reparations. This special budget amounts for 1923 to 10,000,000,000 francs; 3,000,000,000 francs for military pensions, 3,000,000,000 francs for interest on loans, and 4,000,000,000 francs for the expenses of the ministry of the liberated regions, for reconstruction of roads and other works of public utility. This contains no payment of capital for war damage suffered by private individuals. The upkeep of the army on the Rhine will cost about 500,000,000 francs. This has hitherto been covered by the payments made by Germany.

October 25—Nation's wards bill passed. This bill, already passed by the Senate, modifies certain clauses of the law of July 27, 1917, establishing wards of the nation. France adopts orphans whose father or guardian was killed in the war or whose father, mother or guardian died of wounds or of illness contracted during or aggravated by the war; also those children born before the end of the hostilities or within 300 days after their cessation whose father, mother or guardian is unable to support them because of wounds received, maladies contracted or aggravated by the war; and those children whose father or guardian has disappeared in the war when it can be taken for granted that he died for his country.

October 26—Debate on budget continued. M. de Lasteyrie, Minister of Finance, says that the four milliards of deficit really represent the interest of the sums that the French government has had to borrow to pay the liberated regions what should have come from Germany. Efforts have been made to economize in government expenses. Up to October first, 36,902 employees have been dismissed from the civil service. It is expected that the total will reach 50,000 by the end of the year. But economies are not sufficient. More receipts from taxation are necessary and more thorough collecting of existing taxes.

November 3—Continuation of debate on the eight-hour day in the merchant marine service. The Chamber approves the government decree of September 5, 1922.

November 6—Adoption of a bill regulating the acquisition and possession of real property in France by foreigners. Continuation of debate on budget.

SENATE

October 12, 1922—Opening of extraordinary session: no special business.

October 19—Discussion of bill with regard to Chambers of Agriculture. A law was passed organizing Chambers of Agriculture on October 25, 1919, but was never put into operation. It was modified by the Chamber of Deputies on December 25, 1921. The commission of agriculture now asks the Senate to repeal the law of October 25, 1919. It wants to establish departmental Chambers of Agriculture which, if necessary, can unite in a regional body to decide inter-departmental questions. The Chambers of Agriculture are not to be political but purely professional bodies, to look after the interests of agriculture in France. Would allow women to be members. Decision deferred. Debate to be continued in 15 days.

Bill to make November 11 a legal holiday passed.

Debate on bill concerning divorce passed by Chamber of Deputies on December 5, 1921. No conclusion reached.

October 20—Discussion of two private bills, one introduced by M. Paul Strauss to amend the law of December 23, 1874, concerning the protection of young children and the other introduced by M. Gustave Dron to provide for the recognition and encouragement of baby clinics. The number of births has decreased steadily in France from about a million in 1870 to 746,014 in 1913. In 1921, although there were more marriages in 1920 than ever before in one year in France, the number of births was only 813,396. According to these bills more than 400,000 children would be brought under the supervision of the authorities instead of the present number of 60,000 or 75,000. Parents would be supplied with cards on which would be entered remarks of the doctor concerning the method of feeding and the health of the child. The weight would also be noted every month. Discussion to be continued.

October 21—Bill on profiteering discussed and passed.

October 26—Bill concerning divorce rejected.

November 7—Bill giving suffrage to women debated. Decision deferred.

The Netherlands (Holland)

Constitutional and Hereditary Monarchy

Queen—Wilhelmina Helena Pauline Maria, November 23, 1890.

Premier and Minister of Interior—C. J. M. Ruys de Beerenbrouck, September 9, 1918.

The Cabinet resigned on July 22, 1922, and was reconstructed on September 12 under the same premier.

EXECUTIVE POWER

The executive power is vested in the Sovereign and exercised by a responsible Council of Ministers, 11 in number, chosen by the Sovereign usually from the lower house. Each minister has a salary of 18,000 guilders (about \$7,236) and the Minister of Foreign Affairs receives an additional sum of 10,000 guilders (about \$4,020).

LEGISLATIVE POWER

The legislative power belongs conjointly to the Sovereign

and Parliament or States General, composed of two chambers. Members must be Dutch subjects, men or women.

First or Upper Chamber—The First Chamber is composed of 50 members elected by the Provincial States for nine years, one-third retiring every three years. Members not residing in the Hague where parliament meets are allowed 10 guilders (about \$4) a day while parliament is in session.

Second Chamber—The Second Chamber is composed of 100 deputies elected directly by Dutch citizens, men and women of 25 and over. They are elected for four years and retire in a body at the end of that time. On July 7, 1922, 7 women were elected to the Second Chamber. Members receive 5,000 guilders (about \$2,010) annually, with travelling expenses.

The sovereign has power to dissolve one or both Chambers on condition that elections be held within 40 days and that the new parliament meet within two months.

Norway

Constitutional and Hereditary Monarchy

King—Haakon VII, elected November 18, 1905.

Prime Minister and Minister of Finance—Otto Albert Blehr, June 22, 1921.

After a union of nearly 400 years between Norway and Denmark, the Danish King ceded Norway to Sweden on January 14, 1814. The Norwegians refused to acknowledge the treaty and proclaimed Prince Christian Frederick of Denmark as their King. The Swedes invaded Norway but negotiations were opened after a fortnight, and finally on November 4, 1814, Norway was declared to be an independent kingdom united with Sweden under one King. This union was dissolved in 1905 when Prince Charles of Denmark was elected King of Norway under the name of Haakon VII.

EXECUTIVE POWER

The executive power is vested in the King and exercised by a Cabinet or Council of State. Women are eligible since 1915. The ministers may sit in parliament but have no vote. The King has not an absolute veto or the right to dissolve parliament.

Republic since 1910

President—Dr. Antonio Jose de Almeida, elected August 6, 1919.

Prime Minister—Antonio Maria Silva, February 9, 1922.

EXECUTIVE POWER

The executive power is exercised by the President and the Cabinet. The President is elected for four years by both Chambers met in special session, and is not eligible for re-election. He appoints the ministers who are responsible to parliament. He may not be present at de-

Constitutional Monarchy

King—Alfonso XIII, May 17, 1886.

Prime Minister—Sanchez Guerra, March 8, 1922.

King Alfonso was born six months after the death of his father and succeeded automatically his elder sister.

EXECUTIVE POWER

The executive power is vested in the King and exercised by a council of 10 ministers. On December 2, Premier Sanchez Guerra submitted the resignation of the cabinet to the King, but after a conference it was arranged that he retain office and form a new ministry. The ministers are responsible for the government and all the King's decrees must be countersigned by one of them.

LEGISLATIVE POWER

The legislative power is vested in the King and the Cortes, composed of the Senate and the Chamber of Deputies. Both houses meet each year. They may be summoned, suspended or dissolved by the sovereign. But when they have been dissolved a new parliament must sit within 3 months. The sovereign appoints the president and vice-presidents of the Senate; the Chamber of Deputies elects its own officials. Since April 1, 1920, senators and deputies have received salaries of 6,000 pesetas (about \$1,158) a year.

LEGISLATIVE POWER

Norway is the only European country with a one-chamber parliament, the Storting. It meets every year on the first week-day after January 10 and sits as long as may be necessary. There are 150 members who must be 30 years old, must have resided in Norway for 10 years and be voters in the district which they represent. All Norwegian citizens of 23 who have resided in the country for 5 years have the right to vote. In 1913, the franchise was extended to women on the same terms. Elections are held every three years. Members are paid 3,000 Kroner (about \$804) a year, besides travelling expenses, and in recent years an additional sum to cover the higher cost of living.

The Storting divides itself into 2 sections, the Lagting, composed of one-fourth of the members of the Storting, and the Odelsting, composed of the remaining three-fourths. All laws are introduced in the Odelsting and then in the Lagting. If both bodies do not agree they meet in a joint session, and a majority of two-thirds of the votes decides the question at issue.

Portugal

bates in parliament. His salary is about \$19,000 a year. He must be at least 35 years old.

LEGISLATIVE POWER

The legislative power is exercised by a Congress composed of two chambers, the Senate and the Chamber of Deputies.

Senate—The Senate is composed of 77 members elected for six years, one-half being renewed every three years.

Chamber of Deputies—The members of the Chamber of Deputies are elected for three years by Portuguese citizens of 21, resident in Portugal and able to read and write. The 155 deputies are returned by 51 constituencies.

Spain

Senate—There are three classes of Senators: 1. Senators in their own right, i. e., sons of the King and of the immediate heir to the throne who have attained their majority. Grantees of Spain in their own right who have a fixed income of 60,000 pesetas (about \$11,580); Captain-generals of the Army; Admirals of the Navy; the Primate of Spain and the archbishops; the president of the Council of State, the Chief Justice, the presidents of the Court of Accounts, and of the Supreme Council of War and Navy after two years of service. 2. Senators nominated by the crown for life. These two groups must not exceed 180 persons. 3. 180 Senators elected by the Corporations of State, i. e. provinces, communes, universities, etc., and by the largest taxpayers. These, as well as those nominated by the sovereign, must be chosen from certain prescribed political, military, literary or proprietary classes.

The elective senators must be renewed by one-half every five years, and as a body when the King dissolves that part of the Cortes.

Chamber of Deputies—The Chamber of Deputies consists of 417 members elected for five years in the proportion of one deputy to 50,000 of the population, and are reeligible indefinitely. They must be 25 years old. Voting is compulsory for all males over 25 who are registered on the voting list and who have been resident of a municipal district for at least two years.

Sweden

*Constitutional Monarchy**King—Gustaf V, December 8, 1907.**Minister of State (Premier) and Minister for Foreign Affairs—Hjalmar Branting, October 13, 1921.*

EXECUTIVE POWER

The executive power is vested in the King and the Council of State. The ministers are responsible for the acts of the government.

LEGISLATIVE POWER

The legislative power belongs to the King and the Diet, composed of two Chambers both elected by the people. The members of both Chambers receive salaries of 3,400 Kroner (about \$911) if they live in the capital and 4,000 Kroner (about \$1,072) if they live outside the capital for each ordinary session. For an extra session they receive 24 or 32 Kroner (about \$6.50 or \$8.50) a day, besides

travelling expenses. Their salaries are exempt from income tax.

First Chamber—The First Chamber is composed of 150 members above 35 who have possessed for at least 3 years prior to their election either real property to the taxed value of 50,000 Kroner (about \$13,400), or an income of 3,000 Kroner (about \$804) a year. They are elected for eight years by provincial councils or Landstings and by the electors of 6 towns not represented in the Landstings. There are 19 constituencies, arranged in 8 groups, in one of which an election takes place in September every year.

Second Chamber—The Second Chamber is composed of 230 members elected for four years by universal suffrage. All men and women over 23 have the right to vote. The country is divided into 28 constituencies in each of which one member is elected for every 230th part of its population.

Switzerland

*Confederation composed of twenty-two cantons.**President of Confederation for 1922—Dr. Robert Haab (Zürich).**Vice-President of Federal Council for 1922—Charles Scheurer (Berne).*

The President of the Confederation and the Vice-President of the Federal Council are the first magistrates. They are elected for one year by the Federal Assembly formed by both legislative Chambers in joint session, and they are not reeligible for a second consecutive term.

EXECUTIVE POWER

The chief executive authority is vested in the Bundesrat or Federal Council of 7 members elected by the Federal Assembly for 3 years. Any Swiss citizen who is qualified to sit as a representative is eligible to become a member of the Federal Council, with the exception that near relatives by blood or marriage or two persons from the same canton cannot be elected at the same time. The President has a salary of about 5,400 dollars and each minister receives 5,000 dollars.

LEGISLATIVE POWER

The legislative power is vested in a parliament of two Chambers, a State Council and a National Council.

State Council—The State Council is composed of 44 members, 2 from each canton of the Confederation. The manner of election, the term of office and the amount of compensation are determined by the cantons themselves. The average salary paid is about 20 francs (4 dollars) a day.

National Council—The National Council consists of 189 members chosen in direct election by secret ballot, each member representing a district of 20,000 people. Every Swiss citizen who is 20 years old is entitled to a vote, and any voter not a clergyman may be elected a member of the National Council. Members are elected for 3 years, and the whole body is subject to reelection at the end of that time. Elections for the National Council must take place in all districts at once on the last Sunday in October.

Members are paid from Federal funds at the rate of 25 francs (5 dollars) a day for each day on which they are present, with travelling expenses at the rate of 20 centimes (4 cents) per kilometre to and from the capital, with 10 centimes per kilometre additional for mountain passes. Members employed on Special Commissions are entitled to mileage at the same rate.

Two ordinary sessions are held every year beginning on the first Monday of June and the first Monday of December.

Recent Changes Made in Ship Subsidy Bill

(Continued from Page 68)

AGREEMENTS BETWEEN CARRIERS.

Section 605 amends the Shipping Act of 1916 so as to amplify the power of the Board to investigate agreements between common carriers or between common carriers and terminals.

JOINT OR PROPORTIONAL RATES.

Section 607 amends Section 28 of the Merchant Marine Act by making it mandatory on the Interstate Commerce Commission to invoke or suspend Section 28 as the Shipping Board certifies adequate or inadequate American transportation is available. Where the Board and the Commission are of the opinion that Section 28 will cause congestion or will deflect unduly the natural channels of trade, the Section shall be suspended.

Title 7 Comprises Miscellaneous Divisions

OFFICIAL TRANSPORTATION.

Section 701 provides that the transportation of passengers and commodities paid for by the United States Government shall so far as practical be in American bottoms.

HOME PORTS OF UNITED STATES' VESSELS.

The Secretary of Commerce is authorized to designate the port of documentation of American vessels and such ports shall be the ports where the greater part of the vessels' business is conducted.

SURRENDERED DOCUMENTS.

The Shipping Act of 1916 is amended so that documents cannot be surrendered in time of peace without the approval of the Board.

The Glossary

By HON. WM. TYLER PAGE

Clerk of the House of Representatives of the United States Congress

An Explanation of Fiscal Terms Appearing in This Number

FUNDING

The process of funding a debt consists in dividing it into shares or bonds, with stated times of payment of interest and principal.

The first funding of the national debt was by act of Congress of August 4, 1790, at the suggestion of Alexander Hamilton, then Secretary of the Treasury. This act provided for the payment, by the issue of 6 per cent bonds, of all the floating foreign and domestic debts of the United States and such of the debts of the several States as were incurred in prosecuting the War for Independence. Since that time there have been numerous issues of bonds by the General, State, County and Municipal Governments. It was not until July 14, 1870 that an attempt was made to refund the entire national debt, when Congress passed the Sherman Act, providing for the issue of \$200,000,000 5 per cent bonds (later increased to \$500,000,000) \$300,000,000 4½ per cents and \$1,000,000 4 per cents. The 5 and 6 per cent bonds were retired or extended at 3 and 3½ per cent interest, under agreements of 1881 and 1882, while nearly all the 4 and 4½ per cent bonds were bought in the open market with the surplus cash in the Treasury.

REFUNDING

The process of substituting a series of low interest bearing bonds for those of a higher rate or for a floating debt note funded.

August 31, 1865 the debt of the United States amounted to \$2,845,907,626 of which sum only \$1,109,568,192 was funded. By December 1867 the floating debt, compound-interest notes, seven-thirties, and United States notes had been converted into a funded debt of nearly \$700,000,000.

The refunding act of 1870 authorized the issue of certain amounts of 5, 4½, and 4 per cent bonds to take the place of the existing bonds, most of which were bearing 6 per cent interest. During the next ten years this substitution was carried to an extent that decreased the annual interest charges from \$82,000,000 to \$62,000,000. In 1881 the annual interest was decreased nearly \$20,000,000 more by the Windom refunding scheme, which converted \$460,000,000 5 and 6 per cent bonds into bonds bearing 3 and 3½ percent interest.

INDEMNITY

In the governmental sense this term signifies compensation for actual loss, damage, or injury sustained, in other words, reimbursement, as distinguished from indemnity as used in a legal sense as between parties to a contract, one of whom gives an indemnity bond for the benefit of the other in order to make good to him any loss or liability which may come upon him by so doing.

Between Nations there has existed a code whereby violence to the person of a national, or of his property in violation of the law of nations or of the amity and good will of the nations involved, may be indemnified by the nation shown to be at fault. Thus, indemnity has been paid by and to the United States growing out of violence inflicted, resulting in loss of life and property through overt acts, which if permitted to be disregarded, may have

resulted in war. Acts of violence against the national of a foreign nation are regarded as potential causes of war.

AMORTIZATION

The act (or sum) of satisfying, liquidating or reducing, as a debt, usually by a sinking fund. The term has a wider application and is more commonly used recently in this sense than formerly. It is often applied to securities in figuring their investment value. For instance, if a security is bought at a premium or at a discount, a part of the premium is charged off or a part of the discount is credited so as to bring the value of the security to par at maturity. In each case the transfer is made from investment to income or the reverse. Another common application of the term in this sense is to investments having a life of limited duration, as mines. Dividends on such investments are treated not only as interest on capital but also as the return of capital itself. As an illustration, if securities in a mine are purchased and such securities yield an annual dividend of 12 per cent, 6 per cent may be treated as income and 6 per cent as return of capital. If the 6 per cent treated as return of capital is again invested at 4 per cent interest, a simple mathematical calculation will determine the number of years required for the return of the investment originally made. The term is also often applied to the paying off of a mortgage by instalments or by a sinking fund. (The Encyclopedia Americana).

Treating the United States loans to the allies as an investment, the annual interest on which we will say is so much, in the nature of a dividend, a portion of which, one-half for illustration, may be considered as return of capital or the original loan or principal, and the remainder as income, the former to be used for reinvestment or in the reduction of interest or cancellation of outstanding indebtedness, such as the national debt, all of which will determine the length of time required in which to recover the amounts of the original investments, or loans.

REPARATION

The act of making amends or of restoring or returning something that has been taken away or lost, the giving back of anything to the one to whom it properly belongs as the restitution of property (or its equivalent) and privileges. To repair a loss. Synonymous with restitution, restoration and indemnity, in the sense of recovering from a vanquished enemy national losses incurred by invasion of and destruction caused by such enemy. The Treaty of Versailles created a Reparations Commission to determine the amount and character of reparations to be made to the allies by Germany and her allies which question is now the subject of negotiations in which the United States, although not a party to the Versailles Treaty is interested from the view point of desiring to assist in the stabilization of the world's economic and financial condition.

TARIFF

A system of duties imposed by the Government of a country upon goods imported or exported. In the United States there is no duty on exports. The word "tariff" is

generally applied to the customs duties levied by Congress on merchandise coming from foreign countries. Tradition identifies the word with the town of Tarifa, Spain. Here during Moorish occupancy of the country about Gibraltar, all vessels were required to put in and pay such duties as were demanded by those in possession. Among the Greeks and Romans a duty similar to our present system was known, and in England, from the year 980 until 1846, duties were imposed on ships and goods. After 1846 England gradually abolished her tariff duties. In the United States the first Congress passed a tariff law since which time the subject has been more or less a political issue as between the various schools of thought known as protectionists, free traders, etc.

DUTY

A specific sum of money or the rate per cent that is levied upon the goods passing through the custom house. Few countries levy export duties, therefore, generally speaking, the term customs duties means duties on imports. There are two kinds of duties, i.e. (1) Specific; (2) Ad Valorem. On many kinds of goods the two are confined in what are called compound duties.

SPECIFIC DUTY

A specific duty is fixed sum of money to be paid upon each yard, ton, hundred, pound, gallon, etc., without reference to its market value. Because specific duties can be more suitably applied to raw materials and manufactures of a simple character, they are applied on cattle, iron and steel products, minerals, wood, lumber, grain and tobacco. A scale of rates is sometimes employed in tariff bills based upon value as, for instance, certain kinds of steel products, the specific duties on which may run from a fraction of a cent on goods valued at less than a pound on up to a number of cents per pound on goods valued at say from 32 to 40 cents per pound. Then, upon goods valued in excess of 40 cents the duty becomes ad valorem, or according to their value.

AD VALOREM DUTY

A stated percent that is levied upon the value of the goods imported, instead of upon their weight, bulk, or other limit of measurement of the commodity. The value is usually fixed at the point of export; but this is subject to trade fluctuations and to disturbed conditions of foreign exchange as under present circumstances resulting from the world war.

CUSTOMS LAWS

The body of Federal Enactments fixing the rates of duty on goods imported from foreign countries, whether specific, or ad valorem, or both; the free list, articles on which no duty is imposed, provisions for the collection of duties, the appraisal of values, and the enforcement of all laws and regulations, including personnel of customs service, pertaining to revenues derived from customs duties, known as the "Administrative Features" of a tariff law. Not the least important of these features are the customs regulations issued by the Secretary of the Treasury and the "Treasury Decisions" of the Customs Division and those of the United States Court of Customs Appeals.

REVENUE

The revenue of a state or government is the annual income derived from taxation, customs duties, and other sources to be appropriated to governmental expenditures.

The principal sources of revenue of the United States are *corporation, excise, and individual income taxes, internal revenue or stamp taxes, sale of public lands, and miscellaneous receipts*. Until the adoption of the *income tax amendment to the constitution* customs receipts formed the bulk of the revenue, but this source, however high the rates of duty, would be inadequate to the government's needs resulting from the world war.

SINKING FUND

An account or fund set aside for the payment of a debt or obligation. It is formed by successively appropriating or setting aside sums for the designated purpose. The present sinking fund to retire the national debt sets apart annually a special fund for the payment of interest on and for the purchase of a given per cent of the national debt. Bonds so redeemed are to be canceled and deducted from the outstanding indebtedness of the government. In addition there is to be purchased annually an amount of government bonds equal to the annual interest on bonds previously bought for the sinking fund. The sinking fund is thus, as far as interest is concerned, in the position of any other holder of the government's obligations receiving interest on the bonds that have been purchased for its account, except that the bonds belonging to it have been canceled and the debt is considered reduced by that amount.

PUBLIC DEBT

The Government must depend upon its income to meet its expenses as in the case of any business concern. When its income from sources of taxation falls below the required amount the Government must borrow money on its credit. For this purpose it issues interest bearing bonds and applies the proceeds to its needs.

FREE TRADE

This term is used to signify an exchange of merchandise between the people of different countries without the imposition of any tax by the government. A tariff imposed by the government for the protection of home manufactures and workmen is held by the advocates of free trade to be contrary to sound principles of political economy and unjust to the consumers of the articles upon which duties are levied.

RECIPROCITY

The granting by one nation of certain commercial privileges to another, whereby the citizens of both are placed upon an equal basis in certain branches of commerce. Reciprocity is effected by treaties, usually by specific authority of Congress. A reciprocity treaty with Cuba whereby that country was given the benefit of a 20 per cent preferential duty on sugar existed from 1903 until sugar was placed on the free list by the Underwood law. Reciprocity with Canada, proposed by Act of Congress in 1911, was not concluded, Canada rejecting the proposal, after which Congress repealed the act.

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